



Photograph by Bill Warhurst

Higher death toll feared: The final death toll at Tuesday's gas tanker explosion at the Los Alfaques camping site on the Costa Dorada, 20 miles south-west of Barcelona, will be well over 200 because most of the 123 people with severe burns in Barcelona and Valencia hospitals have no chance of surviving, Señor Enrique Sánchez de León, the Spanish Health Minister, said yesterday. The latest provisional figures estimate the

death toll at the site, near the town of San Carlos de la Rápita, to be 128, with 123 people seriously injured. Dan van der Vat writes from San Carlos de la Rápita: As forensic experts yesterday poked among the grisly remnants of camping vans, caravans, cars and tents, detectives put together an account of the disaster which tells all but explains little. The facts are simple enough. On Tuesday an

articulated tanker-lorry carrying liquid propylene gas was travelling southwards from Barcelona on the busy, two-lane eastern coastal highway No. 340. It was on its way to a large chemical plant at Puertollano in southern Spain. At 2.15 pm Spanish time (1.15 pm BST) it was passing the camping site of Los Alfaques, a couple of miles south of here. At this moment and at this point it blew up in a double explosion.

The cab landed on its roof on the other side of the road from the camping site. Most of the tank landed in the middle of the site, in a whirlwind of instantaneously ignited liquid. It was still there yesterday, like a giant tin can which had burst along its seam and blown out both its ends. The back axle lay 200yd away, the steel cords of its tyres hanging off the wheels like a discarded wig, still smouldering 12 hours after the explosion. Part of the vehicle doused

itself in a swimming pool across the road. No trace of the driver has been found. A discotheque opposite the site was completely demolished as if by an entire stick of bombs. So was a shower-block on the site itself. These structures were made of solid stone and brick. The thin metal of cars and caravans and the frail cloth walls of tents were simply vapourized, charred, baked, melted, atomized or fried.

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France wants cuts in US oil imports and Japan's surplus

sizeable cut in American oil imports and in Japan's trade surplus are seen by Presidentiscard d'Estaing, of France, as the key to recovery of the world

economy. If there was no action in these two fields all the measures which might be contemplated at the Bonn economic summit this weekend would be useless, he said.

M Giscard sets out Bonn aims

Paris, July 12
M Giscard d'Estaing, President of France, said today that sizeable cut in American oil imports and in the Japanese trade surplus were the key to the recovery of the world economy. In an interview in *Le Monde*, published by the *Europa* newspapers, *The Times*, *Le Monde*, *La Stampa* and *Die Welt*, he added: "If there is action in these two fields, all the measures which might be contemplated [in Bonn] will be useless." He emphasized that of the four industrialized areas in the northern hemisphere—the United States, Japan, the Soviet Union and Western Europe—the latter was the only one to have an internal monetary instability. "This is the more nefarious of all," he said, "it carries out a great part of the world's trade with itself." "By creating an area of monetary stability in Europe, we protect from currency fluctuations half the trade of the most important area in the world from the standpoint of commercial relations, and we create an additional incentive for expansion." He added euphemistically that the British Government was serving on the setting up of a new monetary system proposed by France and Germany the Bremen summit. "Owing to a number of political commitments, and to its cautious attitude towards a system, it is difficult to prejudice a final attitude," he said. He wished Britain had joined, "but if it feels it cannot, implementation will be completed without her, provided being made for very precise institutional machinery, allowing for maximum participation of those who remain outside it." President Giscard went on to ask whether one should seek agreement limited to a few countries or, on the contrary, "unite Europe, within the borders of her civilization and

to work out how it should be achieved." It was also necessary that the socialist countries, whose aid to development in 1977 was quite insignificant, should take part in the world equilibrium by a steady increase in this aid. Turning to the new monetary system proposed by France and Germany at Bremen, the President expressed his conviction that the European Council next December would adopt a solution on this, probably after bilateral talks. He said there were problems of adjustment with the Opec members of the Organization of Petroleum Exporting Countries and Japan. There were problems between the Belgian and French economies and even the French and German economies. "That is why it is quite coherent to have both a system of floating rates with countries outside Europe, while creating and maintaining a system of stable exchange rates within the (European) zone where no major adjustments are needed," he went on. President Carter had, in talks with him about the Bonn meeting, said that the United States would "consider favourably a greater monetary stability in Europe." President Giscard stressed that the objective should be an increase in growth rates of industrialized countries of 1 to 1.5 per cent. It would cut unemployment and stimulate demand. "I shall go to Bonn in the following spirit," he concluded. "France is ready to make her contribution. She sees what the problem is. She will take part in its solution to the extent her partners also perceive it and are ready to make a significant contribution. Otherwise economic summits are useless." "They may even be nefarious if they disappoint hopes. Enigmas will save no one." The real question is the face of a world crisis is the following: what can I contribute to the international community? France will contribute her answer. She is waiting to know that of others."

Mr Heath says the Bremen plan is vital

By Fred Emery
Political Editor
Mr Edward Heath last night called for bold British support for the Franco-German proposal at Bremen for a new European monetary system. In a speech in London the former Prime Minister, who took Britain into EEC membership, sharply criticized Mr Callaghan for standing "limply on the touch line", implicitly, Mr Heath also took to task those members of Mrs Thatcher's Shadow Cabinet who have given only cautious support for the currency scheme. While such a scheme appeared technical to most people, Mr Heath insisted that it could "greatly improve chances of more jobs and increased prosperity for all the people whose interests the European Community was created to foster". If all EEC partners acted boldly they would do more than help themselves. "We can begin to restore stability and progress to a disordered world," he said. Addressing the Conservative Group for Europe, Mr Heath issued a challenge to Mr Callaghan, saying that a tremendous responsibility rested on him to ensure the success of an approaching election. To do otherwise would betray Britain for generations to come. Mr Heath said the Prime Minister must convince his European partners that the British Cabinet was serious in wishing to improve the present scheme and was equally determined to bring it into operation. "He must dispel the impression which now exists that the emphasis he places on the discussion of details is an attempt to prevent the implementation of the proposal in principle." Mr Heath criticized Mr Callaghan for failing to comprehend the key difference between the new scheme—a central fund of anti-speculation reserves—and the attempt in 1972 at a currency scheme that failed. He also took a swipe at Treasury officials. Mr Heath asserted that the Treasury undermined the Prime Minister's own position; furthermore, he said, "as quoted in *The Times* of the danger of allowing enthusiasts to dream up schemes of monetary reform", the officials, Mr Heath said, could only be helping at Mr Callaghan himself.

Royal commission urges national lottery to help sport and arts

By Marcel Berlins
A national lottery to help good causes such as sport and the arts should be established, the Royal Commission on Gambling proposes in its long-awaited report, published yesterday. The law on local lotteries, however, should be tightened. The national lottery, which would be administered by a new board, could have a turnover of £100m in its first year, of which £37m would go in prizes and a similar amount to the good causes, the commission believes. It criticizes as "scandalous" the way some local lotteries have been run since they became legal in 1975. Among proposals designed to provide greater control, the commission suggests that external managers, such as Ladbrokes, should be prohibited. The commission, under the chairmanship of Lord Rothschild, FRS, takes the view that the gambler is too often ignorant of the odds against him, and many recommendations are aimed at providing him with more information. Football is selected for slot proposals that the betting duty paid by the pools firms should be reduced by 3 per cent, and the amount saved, about £7 a year, set aside to help the sport. All in all, the commission estimates that if its recommendations are implemented, the Treasury would get £147m in various duties and taxes instead of the present £16m a year. On racing, the commission recommends that a British horseracing authority should be set up to run most aspects of the sport. It would take over from the Horserace Betting Levy Board all functions except assessing and collecting the levy, which would continue to

be done by a smaller levy board. The racing industry, led by the Jockey Club, would be given a chance to draw up a constitution for the authority. Only if it failed should the task be given to the Government, the commission says. The report emphasizes the importance of racing as a spectator sport, and calls for better facilities and comforts for racers. The commission rejected a Tote monopoly on betting. It came to the conclusion that bookmakers do not make excessive profits. Casinos are the subject of many proposals, some benefiting the casino at the expense of the punter, such as altering the rule governing stakes placed on the zero in roulette. The commission also finds that the casino gambler pays no tax on winnings, and suggests a casino betting duty of 7.5 per cent on money exchanged for chips. Although the duty would be levied on the casino, it would probably be passed on to the punter. Bingo clubs are criticized and changes are recommended to tighten the rules and protect players. The commission suggests ways of making jackpot machines fiddle-proof, and recommends more stringent inspection procedures. Various bodies in racing generally welcomed the report. Lord Howard de Walden, senior steward of the Jockey Club, expressed satisfaction that the commission's proposals corresponded so closely with the Club's own submissions. He particularly approved the recommendation on a constitution for the proposed new national racing authority. His welcome for the abolition of VAT on the importation of horses was echoed by the Thoroughbred Breeders Association.

Air Commodore Walter Brooks, chairman of the Racecourse Association, was especially pleased at the commission's suggestion that greater emphasis should be placed on racing as a spectator sport. Sir Desmond Plummer, chairman of the Horserace Levy Board, said the commission had made an honest effort to sort out the complexities of the racing industry but had left important questions unanswered, including whether the proposed new horseracing authority, with all its conflicting interests, could function effectively for the good of racing as a whole. Lord Allen of Abbeydale, chairman of the Gaming Board, said it had drawn the commission's attention to its worries about lotteries. Provisional figures showed that on July 6, 327 local authority lotteries and 696 run by societies were registered. Ladbrokes, on the other hand, rejected the commission's criticism of local lotteries, some of which it manages. The existing structure of Cascode lotteries had wide public approval, a representative said. The Association of District Councils said that proposals for a national lottery might "kill off" local authority lotteries. The Rev Gordon Moody, retiring secretary of the Churches' Council on Gambling, called the report forward-looking. He commended the commission for laying stress on the interests of the gambler. Mr Dickie Jeeps, chairman of the Sports Council, welcomed proposals for the national lottery, and urged that his council be given the job of distributing the money collected. Sport should have not less than £15m a year out of the lottery, he said.

Synod keeps its rule on remarriage after divorce

From Clifford Longley
Religious Affairs Correspondent
York
By a narrow majority the General Synod of the Church of England yesterday declined to change its rules opposing the remarriage in church of those who had been divorced. It rejected the advice of an official commission which urged the church to leave it to individual bishops whether a church marriage should be permitted in a particular case. The outcome was closer than expected, 206 votes to 213, in view of the tenor of the debate, and was decided by the opposition of the clergy. Further items relating to divorce were not voted on but were debated. They will be pursued either in November or February, but there is no way in which the main decision can be reversed at that time. The issue has vexed leaders of the church for at least a decade, and this is the second official recommendation in favour of change to be voted down. The decision was very much closer this year than in 1974. So far there has been no indications of early moves to reopen the issue, though one alternative proposal not reached yesterday would have taken the Church of England in the direction of the Roman Catholic Church on nullity of marriage. The predominant theme of the debate was the church's duty to uphold high standards, not condoning the present rate of divorce while dealing compassionately with individual cases. It was notable how many speakers referred to divorce as a common

Continued on page 2, col 2

Mr Vance and Mr Gromyko to line separately

from Our Correspondent
Moscow, July 12
Discussion between Mr Cyrus Vance, the American Secretary of State, and his Soviet opposite number, Mr Andrei Gromyko, began here today with an hour-long presentation of the United States side of its proposals for a new Salt Treaty. The State Department spokesman, Mr Hoddging Carter, declined to describe the atmosphere of the discussions. As a public manifestation of the estrangement created by the shcharansky and Ginzburg trials, he said pointedly that contrary to usual practice on such occasions—the two sides could not be exchanging invitations for meals outside the formal meetings. While Mr Vance is the bearer of a letter from President Carter to Mr Brezhnev expressing "deep concern" at Moscow's treatment of dissidents, this was not headed to Mr Gromyko at the morning meeting. The moment for that will come when the Americans choose to raise the subject.

Callaghan hint of 5% top pay-rise target

The Prime Minister all but put a figure of 5 per cent on the Government's maximum wage-rise target for the coming 12 months when he addressed the conference of the National Union of Railwaymen. He said he wanted rises to be much lower than the Phase Three limit. Page 2

Carter denunciation of dissident trials

Anatoly Shcharansky's Moscow trial "is an attack on every human being who lives in the world who believes in basic human freedom and is willing to speak for these freedoms or to fight for them," President Carter said in Washington. In his first reaction to the trial he said "the allegation that Shcharansky was a spy for the United States is patently false." Ginzburg seotorce demand, page 8

Explosions cut railway link

Six separate explosions have cut the rail link between Spain and France near San Sebastian. No group claimed responsibility for the explosions, but they were thought to be the work of Basque separatists. In San Sebastian rioters fought street battles with the police. Page 6

Beirut families flee

Renewed fighting in Beirut between Lebanese Christian and Syrian forces has caused a wave of emigration from the ravaged capital. Almost every aspect of the city's life has been disrupted, law and order have broken down and an air of despair about the future prevails. Page 8

Acas quits Grunwick

The Advisory, Conciliation and Arbitration Service has abandoned attempts to resolve the dispute at Grunwick film-processing factory, north London. Acas said it was unable to proceed with its duties under the Employment Protection Act, 1975. Page 3

Pay blacklist grows

More than 20 names have been added to the Government's blacklist of companies which have made pay awards breaching the pay guidelines. The list now stands at 57. Page 21

'Shorter week' plan

Senior union leaders decided that a TUC policy document on shortening the working week did not go far enough. Sending the document back for redrafting, the TUC economic committee called for firm advice to negotiators to seek shorter hours as a priority. Page 5

'Leyland forgeries'

Copies of two forged letters, apparently showing "slush fund" activities at Leyland, were sold to the *Daily Mail* by Mr Graham Barton, one of the company's financial executives, and his wife. It was stated at the Central Criminal Court. Page 2



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HOME NEWS

Doctors furious over plan to query their clinical judgment

From John Roper
Health Services
Correspondent

Doctors of all disciplines, specialists and grades united in Cardiff yesterday in angry opposition to the proposal that the Parliamentary Health Service Commission should be able to consider patients' complaints involving clinical judgment.

The annual representative meeting of the British Medical Association has rarely witnessed such deep resentment as that shown against a proposal that has been seen as a threat to lead to a fundamental change in the role of medicine. The meeting unanimously passed a motion "totally rejecting the intrusion of the health service commission (Ombudsman) into the field of clinical judgment."

Dr J. C. Cameron, chairman of a committee set up to examine the profession's fight would be no pushover, there was widespread support for this particular proposal. A common sense committee on hospital complaints, the proposal had to make MPs and the public aware that doctors were not defending professional privileges but were objecting to the proposal in the interests of patients, professional medicine and standards of care.

Speakers said that if complaints about clinical judgment were put into the hands of a civil servant, whose procedures showed no appeal against the decision, doctors would be forced to practise defensive medicine and consequently see a smaller number of patients. Their professional livelihood depended on their reputation and the law already provided safeguards for individuals.

No doctor had ever attempted to control clinical medicine and it was arrogant to suggest that one man, who would take a departmental and not a judicial approach, should dictate clinical case law.

Representatives accepted that there should be a medical audit, a monitoring of the use and effectiveness of the practice of medicine, but that should be done voluntarily by the profession.

The meeting also carried a motion deploring the use of medical assessors to help the Ombudsman in considering cases and that any doctor accepting such an appointment would forfeit the confidence of colleagues.

Another successful motion regretted that so much professional medical and nursing time was wasted by the "interminable investigation of frequently frivolous and baseless complaints" because the time could be better spent in patients' care.

It was agreed to instruct the council to review complaints procedures within the hospital service and make recommendations.

By 149 votes to 148, with about 30 abstainers, the meeting censured the council for being dilatory in seeking urgent solutions to the difficulty of medical manpower. The debate reflected the profession's deep anxiety about too many doctors coming out of the medical schools, said to be a worldwide problem, and the career structure within the health service.

A motion by the junior doctors committee demanding an urgent review and the establishment of a proper relationship between the number of career posts, work load and the number of doctors in training was carried.

Mr John Stevas, chairman of the Welsh Conservative Party, said that at present the college is a personal life rather than a professional body. He suggested that eventually all head teachers and deputy heads should take a course at the college, which would be administered by teachers, before taking up appointments.

Mr Stevas was giving the Gwent Lecture to the Gwent Association of Teachers in Wales. His speech was clearly designed to reassure teachers that a future Conservative government would give them a greater role in education.

While insisting that teachers should always be accountable to parents and society, he promised that the Conservative Party would not, until the teachers' profession has the status and respect accorded to the other "learned professions such as law and medicine".

As a step towards that status, he said the Conservatives were committed to establishing a

General Teaching Council in England and Wales to enable teachers to set standards for themselves and deal with questions of professional discipline. Such a council exists in Scotland.

Mr Stevas expressed reservations about the speed at which the all-graduate teaching profession would be introduced. He said: "I am not convinced that a degree is equally necessary at all levels of teaching, nor, indeed, that at a time of limited resources the introduction of an all-graduate profession should take priority over the development of proper induction and in-service training."

He promised that the next Conservative government would review the content of teacher training courses. He suggested that teacher training should be based more in schools and that all courses should contain less educational theory and more practical training and classroom experience.

He also indicated his commitment to a more in-service training for teachers and to making the probationary year after teacher training a period of testing suitability and competence rather than, as present, "little more than a formality".

Mr Stevas pledged support for head teacher training.

Plan under way for more ethnic teachers

From Stephen Cotten
The Times Educational Supplement

The Department of Education and Science is preparing a plan to increase the number of teachers from ethnic minority groups. Mrs Shirley Williams, the minister, said yesterday that the department was studying ways of enabling members of such groups to acquire the qualifications needed for entry to teacher training courses.

She told the annual conference of the Council of Local Education Authorities, meeting at Sunderland, that teacher training had a crucial role in equipping students and teachers to work in a society of many cultures.

She hoped that more teachers from minority groups would be recruited. The department would soon be asking local authorities to set up courses to help such potential teachers get the qualifications needed for higher education courses. "I hope the first such course will start in 1979," she said.

Mrs Williams told the conference that the number of jobless teachers last month had fallen by 1,828 from the March figure of 8,852. Last September there were 11,787 registered, unemployed teachers. About 465,000 teachers were employed in January, compared with an estimate of 463,200.

She suggested in her speech to the education leaders of the 104 local authorities that savings of £75m a year could be made by closing half of the three million school places left vacant by 1986 because of the falling birth rate. That would enable an increase in education spending elsewhere.

Mrs Williams made clear, however, that an increase in teachers' salaries would depend on a pledge of greater professionalism from them. The Houghton report of 1974 had awarded 34 per cent rises to

Teachers already enjoy excellent conditions of service in such matters as sick pay, inflation-proofed pensions, ability to retire at 60, working hours and holidays," Mrs Williams said. They naturally sought improvement, notably the restoration of the salary relativities established by the Houghton report and the protection of jobs and promotion opportunities from the impact of falling rolls, but it was reasonable for the department and local authorities to expect some return.

The good health of the education service demanded that all its partners should do more than their bare statutory duty, she said. She hoped that teachers would not see their jobs as the performance of the minimum.

A warning to teachers to control protest action and not use disruptive techniques that damaged children and their own standing was reinforced later in her speech when Mrs Williams said there was a need to apply in education the best practices of a staff management in commercial and public organizations.

Modern practices had standardized procedures for appointment, assessment of performance and promotion.

Mr Bowen-Graham's opposite number, Mr Paul Carmody, agent for Mr George Morton (Labour), said: "He must be running out of ideas. He can't be serious."

Mr Morton defends a majority of 4,111 for Labour against Mr Murphy. Mr Peter Thomson (Liberal), Miss Vanessa Redgrave (Workers' Revolutionary Party) and Mr Herbert Andrew (National Front).

In Penistone, South Yorkshire, today, the three candidates are Mr Alan McKay (Labour), Mr Ian Dobbin (Conservative) and Mr David Chadwick (Liberal). With a 1974 majority of 15,134, the seat seems safely Labour.

October, 1974: Moss Side: F. (C), 11,101; W. Wallace (U), 5,686; N. Boyle (I. C. W. Right), 238; R. Smith (Prosperity), 96; Lab. maj: 4,111.

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Government attacked for 'muddle' over museum staff cuts

By Kenneth Gosling
Lord Rosse, chairman of the Standing Commission on Museums and Galleries, has singled out the "appalling muddle" over staff cuts last year at the Victoria and Albert Museum to attack government control over some museums.

Introducing the commission's report for 1977-78 yesterday, he said that the cuts, which led to the curtailment of the museum's regional activities, had been a disastrous decision by someone thinking a museum or gallery could be equated with a government department.

"We as a commission have to deal with eight different government departments: it is an awful muddle," he said.

Each institution, he said, should be run by an appropriate body of trustees which would report to one department. He also urged that the commission should be brought in to all decision-making before the allocation of works of art accepted by the Government.

"At the moment nobody knows where he is because of the muddle," he said. "We have to tell institutions that we have not heard officially some-

times four or five months after the event."

Lord Rosse retires this month after 22 years as chairman of the commission.

The report contains 55 recommendations and conclusions. It urges that all national museums should be given trustee status with powers analogous to those now enjoyed by London's six most important museums.

"We recommend particularly that action to this end should be taken without delay as regards the Victoria and Albert Museum and the Science Museum, both of which are at present part of the Department of Education and Science, which at present forms part of the Department of the Environment."

The report also says that those institutions should be allowed to develop as freely as possible under their own boards of trustees.

Cuts have already had a damaging effect on the museums' operations, and, the commission says, many of the difficulties created by the im-

position of arbitrary staff reductions might have been avoided had those museums been "trustee" institutions.

The tendency for the national museums to close on public holidays, occasions when they are most in demand, should be reversed and staff should be "rewarded appropriately", the report says.

"Until 1969", it says, "not even the Windmill Theatre could match the remarkable record of the national museums, which had the distinction of being closed on only two days throughout each year—Good Friday and Christmas Day."

But the steady pressure of the staff associations had gradually reduced opening hours until by Christmas, 1976, they were closed for five consecutive days and on New Year's Day. With the latest May Day closure, the commission says, it "cannot but deplore these developments because they keep the museums closed precisely at those times when they are in most demand".

Opening hours during holidays before 1969 were

operated by staff working voluntary overtime, and that should be possible again provided staff are given a proper reward and individuals are allowed to decide whether they wish to work the unsocial hours involved, the commission says.

"We do not accept that any of our national museums should be closed only on the grounds of policy."

It should be emphasized that the collections in the national museums are the property of the public, and museums have a duty to make them accessible.

The commission calls on the Government to reaffirm arrangements for special purchase grants for the acquisition by museums of objects of importance to the national heritage, and seeks tax concessions to facilitate private and commercial contributions to the heritage.

Standing Commission on Museums and Galleries; Tenth Report, 1973-77 (Stationery Office, £5.25).

Archive Grant: The Victoria and Albert Museum has dipped

into its special heritage fund to provide an extra large grant to help to keep the Victoria and Albert Museum's archive in local bands, it was announced yesterday (Martin Huckerby writes).

The archives, more than 25,000 documents dating back to the twelfth century, are being offered for sale by the owner, Lord Broke, for £120,000. Warwick County Record Office has an option to purchase until November.

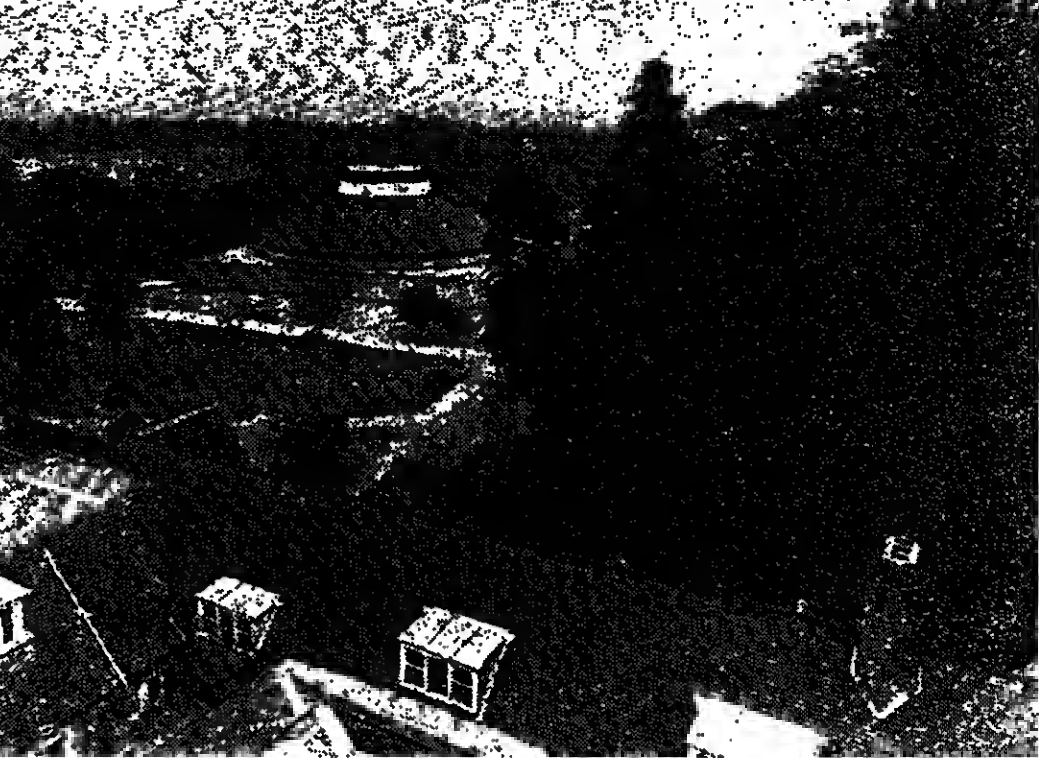
A third of the money has now been offered by the museum, which administers government funds to help provincial purchases.

The museum's normal maximum for grants towards the purchase of archives is £10,000. A further £30,000 has been allocated from the special heritage fund.

Mr Michael Farr, Warwick county archivist, said yesterday that three-quarters of the money had been offered by the Warwick County Council and Warwick District Council have each offered £20,000, and a further £5,000 is expected from Stratford District Council. A public appeal has raised £4,000.



Abbeys appeal: An appeal for £500,000 is launched today by the Benedictine monks of Worth Abbey, West Sussex, to complete the abbey church and to replace the monastery buildings, which have been condemned as unfit (John Young writes). The community was founded in 1933 by a small group of monks from Downside, in Somerset, one of its main purposes being to establish a new preparatory school. The school was housed in a rambling mansion, formerly owned by the Earls of Cowdray, with magnificent views over the surrounding countryside. Worth became an independent foundation in 1957 and has since been notably successful in attracting new recruits to monastic life; the community numbers 32 members. The age group of its pupils has also changed, and with 420 boys it rivals Ampleforth and Downside as one of the leading Roman Catholic public schools in Britain. Apart from their educational and local pastoral responsibilities, the monks have established a lay community with about a hundred members and run regular



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monthly conferences each winter. They also have a mission in Peru, where priests work with the poor in a Lima shanty town and in a remote valley of the Andes. Seen above is a view of the incomplete Worth Abbey church. Donations towards the replacement of the monastery buildings and the completion of the church should be sent to Dom Andrew Brenonkneyer, secretary of Worth Abbey Appeal, Development Office, Worth Abbey, Crawley, West Sussex, RH10 4SB.

Whitehall criticized over tanker wreck

By a Staff Reporter

Whitehall's response to the emergency created by the shipwreck of the Greek tanker Eleni V off East Anglia was criticized yesterday as inadequate. Local authorities whose beaches were polluted accused the Department of Trade of poor and delayed decision-making and a lack of an effective contingency plan.

The county councils of Norfolk and Suffolk, Great Yarmouth Borough Council and Suffolk Coastal and Waveney district councils, spent £750,000 on beach-cleaning. The Eleni V was split in two on May 6, and it was not until May 30 that the bow section was blown up and sunk.

A subcommittee of the Commons Select Committee on Science and Technology questioned representatives of the councils yesterday. Mr Denis C. Miller, Suffolk pollution officer, said: "If it had been something bigger than the Eleni V we should have been swamped."

Mr Ian Coutts, leader of Norfolk County Council, said it was impossible for local authorities to cope alone with the kind of emergency the Eleni V wreck had caused. There was no research on pollution at sea, and contingency plans were not far forward.

Asked if there was not a need for a national or European-scale procedure, Mr Coutts said he had been told by the Department of Trade that the Eleni V wreck had caused, there was no research on pollution at sea, and contingency plans were not far forward.

On May 16 his council had asked the Department of Trade to clean up the Eleni V wreck, but it was not until May 30 that the bow section was blown up and sunk.

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Union chiefs want priority for 35hr week

By Donald Macintyre
Labour Reporter

Senior union leaders yesterday demonstrated their determination to shorten the working week by deciding that a TUC policy document on the subject did not go far enough.

The TUC economic committee sent back for redrafting a paper prepared by the Congress House secretariat and largely devoted to the implications of seeking a 35-hour week.

The committee called instead for a firm statement of intent, to be put before congress in September, advising negotiators to seek shorter hours as a priority during the coming pay round.

Most committee members were unhappy that the report, from the TUC economic department, emphasized the increase in costs that a reduction in hours could entail.

The call for a firmer policy was led by the TUC chairman, Mr David Bassett, general secretary of the General and Municipal Workers' Union, which advised its negotiators to treat a shorter working week as a priority.

Mr Bassett and his colleagues argued that there should be stronger presentation of the shorter week as a means of reducing unemployment. The cost factor was no more relevant than for any other bargaining point, including wages, he said.

Mr Len Murray, general secretary of the TUC, said after yesterday's meeting that the document would "form the basis of a statement to the congress which will encourage unions to negotiate reductions in hours as part of their overall negotiations next year."

The Prime Minister, as Mr Murray reported, will see the TUC General Council on Tuesday to discuss the contents of the White Paper to be published towards the end of the month.

Senior union leaders are firmly persuaded that, while the Government will expect and receive a respectful hearing on the White Paper, ministers accept that there is no question of a formal agreement on pay.

At the same time they affirmed the Government some comfort yesterday by leaving intact the contents of the TUC-Labour Party joint paper which states that there should be thorough discussions on new pay awards and minimums each year on pay as on other aspects of the economy.

Secondly, some union leaders believe that if some commitment on a shorter week was contained in the White Paper, it would go some way towards improving a climate in which wage negotiations could be conducted more moderately.

Third, the economic committee yesterday was in an election-conscious mood which discouraged any posturing on the course of pay claims at the end of Phase Three on July 31.

Judge appeals for help in tracing family

Sir George Baker, President of the Family Division of the High Court, appealed yesterday for the public's help in finding three young children who "mysteriously and incredibly" disappeared with their mother, Mrs Rita Williams, and her lover during a court hearing in London to decide the children's custody.

For more than two months there has been no trace of the five, who had little money. Sir George said he was greatly concerned for the safety of Anthony, aged eight, Christopher, aged five, and Jennifer Williams, aged three. They disappeared with their "irresponsible and impetuous" mother and her lover, Mr David Clough, aged 28.

Sir George appealed for publicity to help in tracing the children. He made them wards of court on the application of Leeds City Council.

Girl-in-train charge

Alan George Westlake, aged 30, a dairy chargehand of Skimped Hill, Bracknell, Berkshire, was remanded in custody until trial at the Central Criminal Court by magistrates at Brentford, London, yesterday accused of attempting to murder Michelle Booth, aged 15, on a Reading to Waterloo train.

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Daily Mail found guilty of contempt

The Daily Mail was found guilty at the High Court in Edinburgh yesterday of contempt of court for publishing an article about Archibald all, a double murderer. The paper was admonished.

The article, on January 19, asked Archibald all the murder of Mr Walter Scott-Elliott, former Labour MP, before his appearance at the High Court. Lord Emslie, the Lord Justice-General, sitting with Lord Cameron, Lord Wheatley, Lord Avonish and Lord Ross, said the article was clear an example as could be found of what was sometimes called trial by news.

Lord Emslie said the court expected the newspaper's stem of taking legal action before the publication of the article functioned imperfectly at night before. It also expected the newspaper to be qualified to apologise to the newspaper that there was no deliberate intention to interfere with the course of the administration of justice.

Lord Emslie said the court took into account, which is perhaps special to the case, in the event the article had not been published in a newspaper which was not a daily paper.

Lord Emslie said the court approved of the judgment, Lord Clyde, that contempt should begin by prejudicial publication or other conduct at the time when a crime is suspected and investigations by the criminal authorities had begun.

It said that when a person is involved in Scotland's summary procedure the court's jurisdiction to treat prejudicial acts as contempt would be at the time of arrest or service of the complaint, whichever was earlier.

Girl murder charge

Anthony Elliott, aged 19, a car cleaner, of Tunell Park, Balloway, London, was remanded in custody until next Monday by Hampstead magistrates, yesterday, charged with a murder of Jeanette Farrar, aged 12.

Solar energy 'could be primary source of heat'

By Pearce Wright
Science Editor

The stages of development necessary if solar energy is to become a main source of electricity, synthetic gas and liquid fuels were examined by the International Solar Energy Society in London yesterday.

Scientists and engineers from government agencies and some of the largest industrial companies in Europe and the United States held progress reports on solar power stations now being built.

They include a one-megawatt solar power station under construction for the European Economic Commission. It will produce super-heated steam to generate electricity. The station will cost about £4.6m under the EEC's research and development programme for solar energy and should be ready in 1980.

Other similar developments include the French Themis project (two megawatts) and the Spanish national project (one megawatt). The International Energy Agency has a cooperative scheme of two different types of 500kW solar power stations side by side in Alifira, Spain, involving British industrial participation.

In the United States a 10-megawatt station is being built under the government's solar

energy programme to come into operation in 1981 and a 100-megawatt plant is being devised. The object of these schemes is to assess the technology and the economics of the various methods for generating power and obtaining synthetic gases and fuels from sunlight.

Dr J. M. Weintraub, an American scientist on loan to the International Institute for Applied Systems Analysis, Austria, reviewed the prospects for solar energy as a global supply in the long term.

He said a careful inquiry suggests that sunlight could become the primary and even exclusive source of heat, electricity and synthetic fuels for the world. It could provide energy on a scale previously regarded as possible only by the development of the nuclear fast-breeder reactor or a fusion system. It would take nearly a century to obtain half the world's energy resources from the sun, he estimated, but it could be achieved through a global network of plants for conversion of solar energy into different forms coupled with appropriate energy transport and storage systems. There were social and environmental consequences to be considered but he suggested that the idea was acceptable in terms of capital investment and use of land.

type of accommodation, have little concern for anything other than enjoying their holiday, and are unaware of the dangers or of what action to take in an emergency, Mr Allman said.

"Most occupants are responsible people, but fires are caused by people who just do not think. Women cook in unfamiliar surroundings on unfamiliar equipment; no matter how responsible the occupant, the danger is great," Mr Allman said. He had just dealt with a fire on one of his own sites, in which a family of holidaymakers had gone out for the evening leaving an electrical appliance switched on.

In the past caravan sites have been poorly equipped with fire fighting equipment, and although new, more stringent guidelines were introduced by

Tory staff will guard Moss Side ballots

From John Chartres
Manchester

Conservative officials involved in today's by-election at Manchester Moss Side, cast suspicion yesterday on the possibility that people might vote more than once by assuming the names of other genuine voters.

In perhaps the last of the minor dramas that have unfolded since the election of the Conservative candidate, said yesterday that in a Manchester by-election a decade ago the turnout had seemed to be high in relation to the number of voters on the register.

Today he will post 100 polling agents in the 38 polling stations to ensure that electoral law is upheld. Mr Murphy said that the police and the acting returning officer had been notified.

Mr Bowen-Graham's opposite number, Mr Paul Carmody, agent for Mr George Morton (Labour), said: "He must be running out of ideas. He can't be serious."

Mr Morton defends a majority of 4,111 for Labour against Mr Murphy. Mr Peter Thomson (Liberal), Miss Vanessa Redgrave (Workers' Revolutionary Party) and Mr Herbert Andrew (National Front).

In Penistone, South Yorkshire, today, the three candidates are Mr Alan McKay (Labour), Mr Ian Dobbin (Conservative) and Mr David Chadwick (Liberal). With a 1974 majority of 15,134, the seat seems safely Labour.

October, 1974: Moss Side: F. (C), 11,101; W. Wallace (U), 5,686; N. Boyle (I. C. W. Right), 238; R. Smith (Prosperity), 96; Lab. maj: 4,111.

Penistone: J. J. Mendonça (Lab), 2,146; W. Wallace (U), 12,011; D. Chadwick (Lib), 10,900; Lab. maj: 15,135.

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CAMP SITE DISASTER

Governor bans tankers carrying explosive cargo from built-up areas after Spanish camp disaster

From Harry Debelius
Madrid, July 12

The civil governor of Tarragona today banned tankers carrying explosive cargoes from roads in built-up areas in his province.

His action followed yesterday's disaster in which a lorry loaded with liquid propylene gas exploded and destroyed a tourist camping ground on the coast near San Carlos de la Rapita, about 120 miles south-west of Barcelona.

A tyre blow-out was suspected to be the immediate cause of the explosion. It was learnt today as a judicial investigation opened at the site of the disaster.

Although there were no firm conclusions, police are reported to have found evidence in the wreckage to substantiate the theory that the tanker went out of control and crashed into a concrete wall at the Los Alfaques camping site after a tyre exploded.

At the same time, investigators considered the fact that the site of the disaster, like a number of other camping grounds in the area, lay along the usual route of tankers which regularly carry explosive cargoes between petrochemical plants and refineries in Tarragona and Puerollana.

Residents of San Carlos de la Rapita gathered on the main road passing the camping site on several occasions this morning to protest against the disaster and against the Government's failure until today to take heed of the danger. The demonstrators shouted slogans recalling the other tanker accidents in the same area.

A spokesman for the

privately-owned camping site pointed out last night that the disaster might have been averted at a cost of 1,000 pesetas (about £7). He said that was how much it would have cost for the lorry to use a new toll road rather than the narrow old coastal highway which twists through towns and round various camping sites.

There was no new statement today from the transport company involved in the accident. Last night a company spokesman had said that the tanker was in good condition, had been inspected regularly and complied with regulations.

A spokesman for the Ministry of Industry said that Spanish regulations regarding the transport of dangerous cargoes were very similar to those in effect throughout the European Community.

In Barcelona, the directorate of a centre for technical studies of accidents, a government body, said that the catastrophe "is the result of the lack of coordination between two important sectors in the province of Tarragona: the chemical and energy industry and the tourist industry."

Señor Gaspar Espuna, the director, said this lack of coordination created frequent conflicts.

"Fortunately," he said, "the Secretary of State for Tourism has recently ordered an exhaustive study to be made into the question of tourism on the Costa Dorada. A plan to control the structure of the industries for the entire zone will be proposed."

Señor Enrique Sanchez de

Leon, the Minister of Health and Social Security, who flew to the area last night, said today that Spanish authorities were ready to repatriate injured foreign tourists, provided they could be positively identified and family members or consular authorities requested their repatriation.

The first five foreign casualties, all West Germans, were air-lifted out of Tarragona today on board a German aircraft carrying doctors.

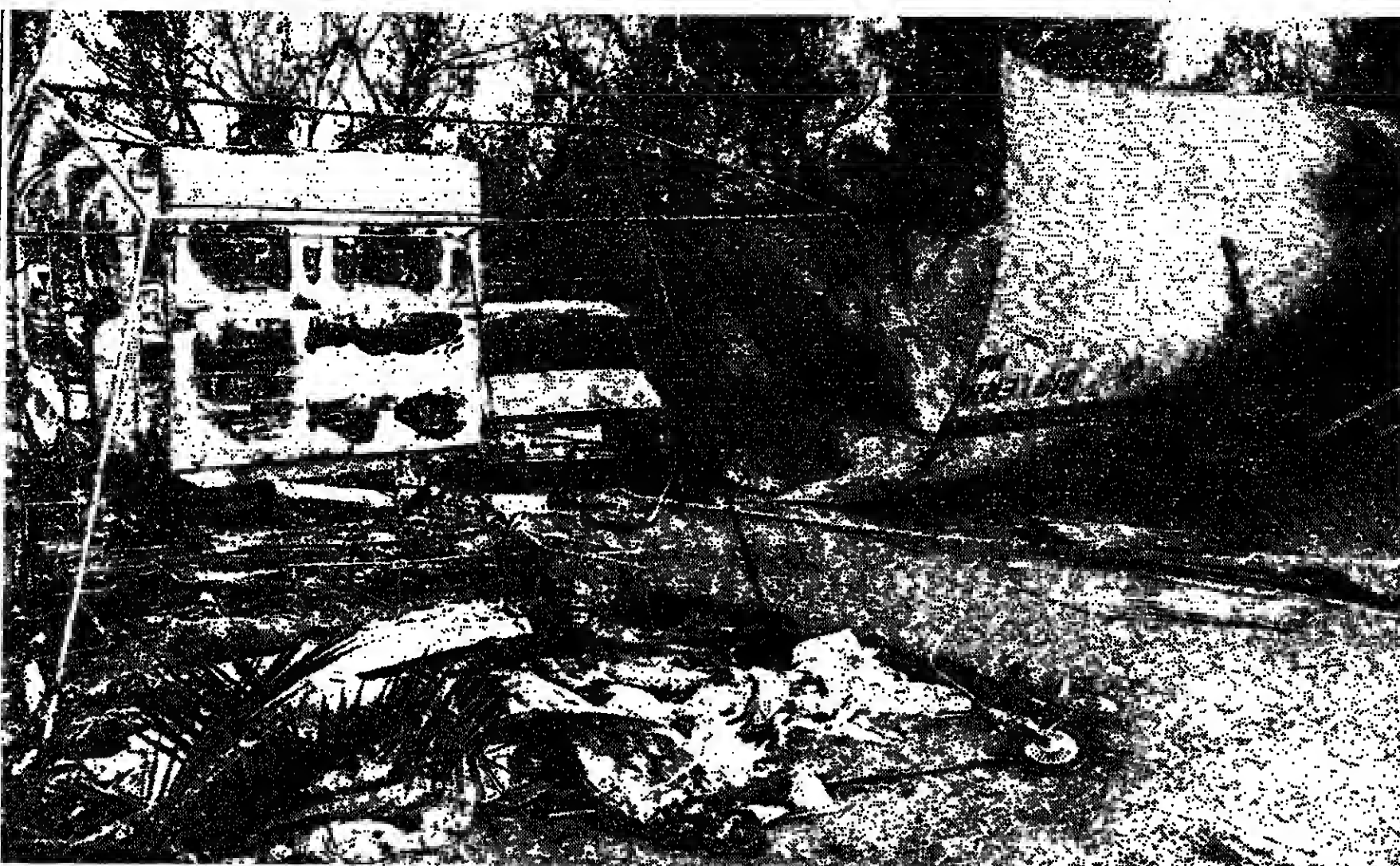
Identification continued to be a problem. Most of the bodies of the victims were charred and mutilated beyond recognition. Most were wearing costumes at the time of the explosion and carried no identification documents.

The identification of the injured was equally difficult not only because of the language barrier but also because most of them were in critical condition and many were still in a state of shock.

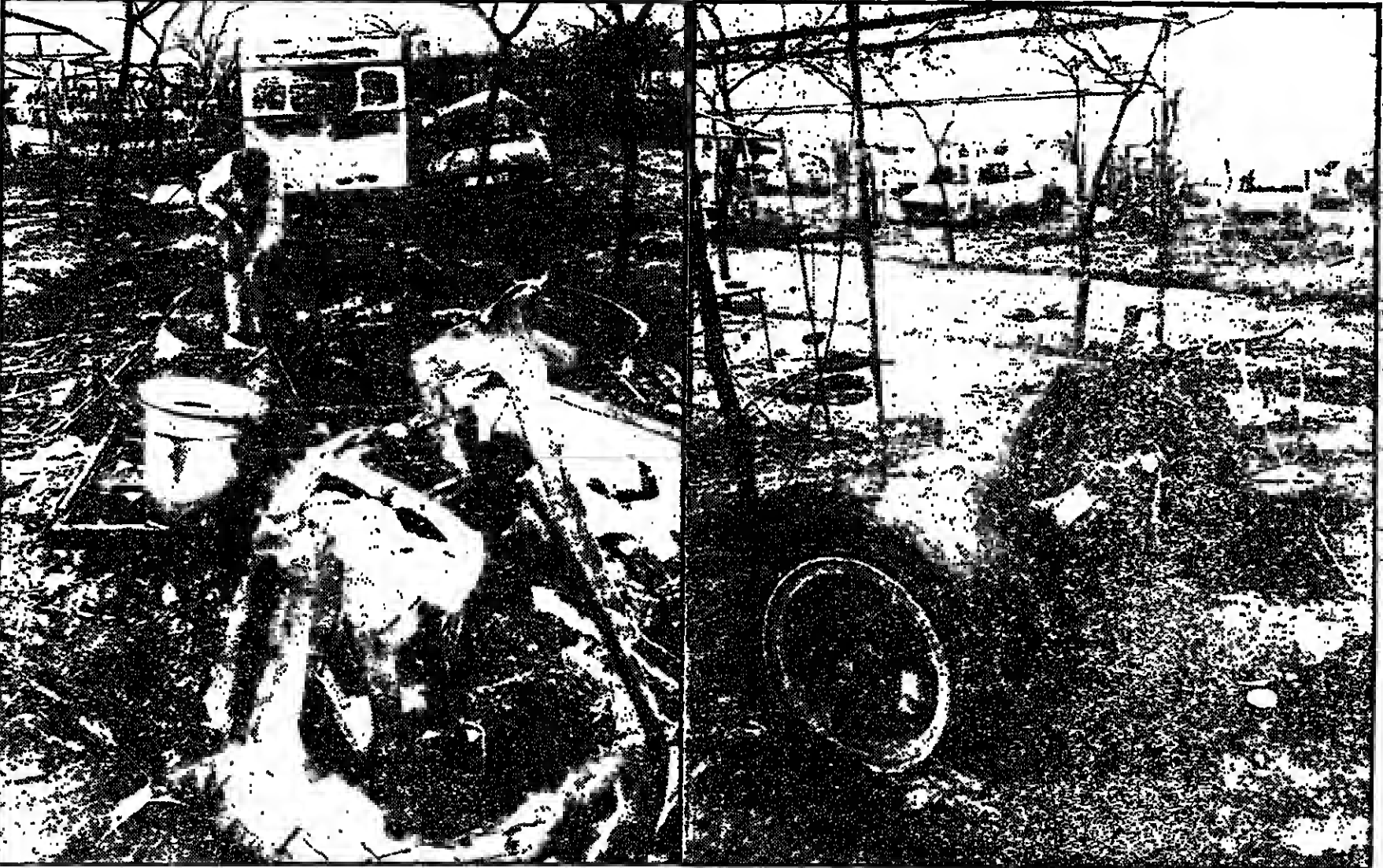
Of the approximately 30 survivors who had been positively identified by this afternoon, nine were British, although the possibility could not be ruled out that some Britons may have been caught in the inferno.

British consular officials said they had no information about Britons, although one Madrid newspaper mentioned an unnamed English-speaking man who was wandering around in a state of shock.

Most of the injured were German and French, with some Belgians, Dutch and Spaniards. A large proportion of both dead and injured were small children.



Part of the tank in which the liquid gas was being carried lying among wreckage of caravans, cars and tents at San Carlos de la Rapita. Below, left: A survivor searching the remains of her caravan for personal belongings; Right: Wheels and axle blown from the tanker.



Survivors say blasts were like jet crash or bomb raid

Continued from page 1

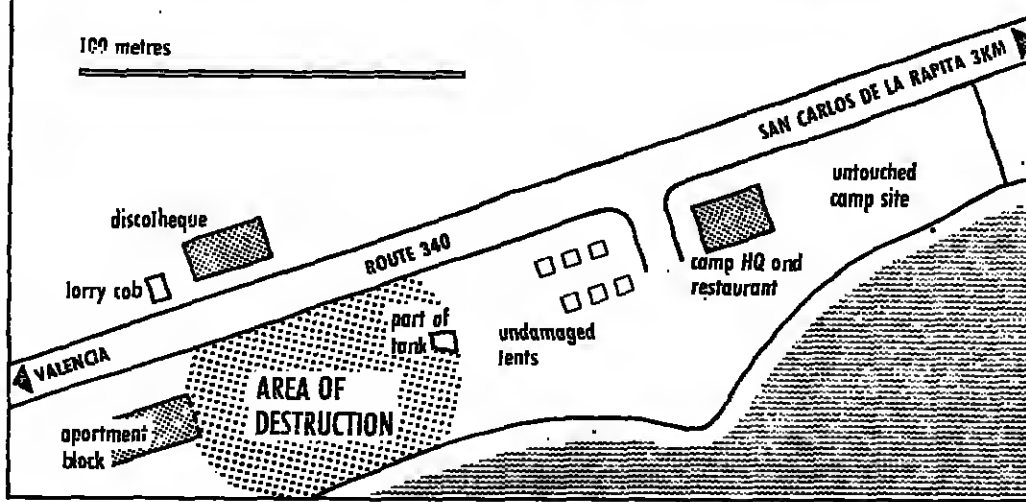
People lunching by their tents or in their caravans or lying on the narrow, pebbly beach beyond the site were burnt and killed in droves.

As if that were not enough, one of the first of an armada of 250 ambulances to get to the scene crashed on the road to Barcelona, killing the driver and three others on board.

No other moving vehicle was involved in the disaster which struck the tanker. But on the site, row upon row of cars stood neatly in position, parallel or at right-angles to one another. The blast did not move them, it simply frazzled them in a cloudburst of blazing rain.

Everything susceptible to flame disappeared—upholstery, dashboards, tyres, glass, steering wheels. Only the metal was left, with the paintwork burnt off. Only the metal was left, with the paintwork burnt off. Tent-frames stand, burnt black, with not a scrap of cloth left on them. Caravans melted. Tanks of butane brought by campers and ignited by the flying gas caused many deaths in subsidiary explosions.

On my arrival 12 hours later, the site stank indescribably, not only of fire. The earth was scorched black, Arc lights lit up the scene as police and troops made sure there were no



more human remains. The condition of these is such that the number of dead cannot be established by counting. If the tanker had ignited just half a mile further south, its only victims besides the driver would have been orange trees. But the great question is, why the tanker was on this road at all?

There is an excellent new motorway from Barcelona to Valencia, running roughly parallel to the old winding heavily-built-up coast road. However, tolls are charged for using it.

The police are examining the theory that the tanker was using the coast road to avoid about 1,000 pesetas in tolls—£7.

The blast struck the camp erratically. Many people were killed, but the de la Haya family from the Dutch province of North Brabant were in their tent only 100yd from where the tank lay.

Mrs de la Haya said yesterday: "I heard this great double bang. I thought we were being bombed or that a jet had crashed on us. There was a column of flame 600ft high, and a huge cloud of black smoke. I told my wife and children to run into the sea and stay there."

Even so, one of the two young girls was burnt and had to go to hospital. Mrs Sis de la Haya said: "We were lucky. The wind blew most of the fire away from us."

Paul Blesa heard of the disaster on the radio at his home in Marseilles on the 6 pm news. He covered the 475 miles in seven and a half hours

because he knew that no fewer than 10 members of his extended family, including his parents-in-law, had come to the site a few days ago in four cars. He said: "We have found two of the party injured in hospital. There is no trace of the other eight or any of the cars. We have found a handbag and some of their letters. They had two children of six and three with them. We are going to bed now because we can't go on looking, but we will be back when it's light."

Frau Ingrid Quiel from Rhineland-Palatinate in West Germany was in the camp with her husband when the explosion happened. "It was like a jet going through the sound-barrier. There were suddenly fires everywhere and people running about, screaming, their clothes burning. We took wet towels and ran after them. The gas bottles in the caravans were going off like bombs. We drove people towards the sea."

Swallowing her tears with awesome dignity, Frau Quiel turned back to her self-imposed task of yesterday, helping West German consular officials from Barcelona in their appalling uncertain work of trying to account for the perhaps 80 German citizens thought to have been here on Tuesday. Large numbers of French, Dutch and Belgians were also staying here. The camp can accommodate about 500.

Señor Guillermo Aguero is a medical student whose girl friend works in the camp. He was on one of his periodic summer visits here when the disaster happened.

"I was having a late lunch when there were two explosions and the sky was black and red with smoke and fire. It was like a bomb-raid. I grabbed a fire extinguisher, but it was no good against all that, and no good against gas anyway."

"Lots of people were running to the reception building and they were all on fire. There were bodies on the ground everywhere. It was just like that—boom, boom, and fire everywhere."

A senior police officer said the injured had been taken to all the hospitals in reach, from Barcelona to Valencia. The remains of the dead were taken to Tortosa, the nearest large town, west of here.

Feelings were running high last night as it became clear that most of the injured were not expected to survive. The eighth-day town festival at the end of this month has been called off, out of respect for the dead.

Raw emotion and abysmal grief were shown at last night's Requiem Mass and funeral of two of the local dead, whose early identification made it possible to follow the Mediterranean custom of burial as soon as possible after death. The service was for a woman and her grandchild. The church and street outside were filled to overflowing.

Groups of gnarled men stood darkly murmuring before the Mass began, and groups of gasping women whispered fiercely in the aisles. The shimmering sullenness and repressed range brought out the medieval

starkness of the faces in a glowing Spanish crowd. The grief of the black-clad relatives was thoroughly Latin, yet while in Italy or Greece it might also have been noisy, here it was silent—a fearsome and finely balanced combination of passion and stoicism. The Northern European does not understand these things, and is therefore reduced to feeling like an intruder.

The local people are indeed appalled and furious. The gist of their reaction is to demand to know who so many loads of liquid "much more dangerous than opium", as one put it, used this road at all when there is a motorway running through open country so close by.

Exactly a year ago a tanker containing liquid gas overturned and burst in San Carlos de la Rapita itself, but without fire. Demonstrations took place there and in the village of Benicarlo, about 15 miles south of here, where a similar incident occurred almost exactly one year before.

Back at the campsite, frogmen were in the sea throughout yesterday looking for more remains. A helicopter circled overhead. Police and troops continued to search on land. An officer sat at a table in the middle of a site roadway in the blazing sun, taking down details on a typewriter as other policemen brought them to him.

On the beach, towels were still neatly laid out. One charred sandal pointed towards the sea. A tennis ball with a neat hole scorched in it was trapped in its straps. The abandoned paraphernalia of holidays was scattered about like autumn leaves on this suddenly desolate stretch of the Costa Dorada.

Palencia: A lorry carrying 403 Butane gas bottles and four propane gas bottles blew up yesterday near the village of Pisuerga in Palencia province, 120 miles north of Madrid.

The blast caused no casualties but shattered a telephone booth and windows, burnt a pile of 30 tree trunks. After generating sparks, the lorry's engine caught fire but the driver parked the vehicle and ordered motorists to stop some distance away. Agencia France-Presse.

Photographic coverage by EMI Warhurst of The Times

Ambulance plane sent from Britain

The Foreign Office was yesterday advising callers wishing to inquire about possible British victims of the San Carlos de la Rapita explosion to contact the official Spanish information centres set up after the blast.

The Spanish Tourist Office in London yesterday issued an additional number for inquiries from Britain. It is Tarragona 010-3477 440000.

The Spanish Embassy reported that it had taken many calls from people worried about friends and relatives believed to have been camping in the area.

The Camping Club of Great Britain discounted reports that the campsite had been overcrowded. With a licence for 200 units (caravans and tents) and an average of 2.5 to 3.0 people a unit, the site could be expected to contain some 500 people, an official said.

Medical aid from Britain consisted of an ambulance aircraft, sent by the Automobile Association after an appeal for help from a Spanish motoring association. The aircraft, which is capable of carrying two trencher cases and a medical team of three, left Coventry for Tarragona, where it was to pick up medical supplies, en route to Barcelona.

Laws being framed on transport of gas

By Trevor Fishlock
Could it happen here? No one can rule out the possibility of a fuel or chemical tanker in Britain skidding, rolling over and exploding, causing devastation on the scale of the Spanish disaster.

Mr William Rodgers, Secretary of State for Transport, who called yesterday for an inquiry into British haulage standards, said: "It is essential to ensure that such an accident could not happen here." But Mr Rodgers, his advisers and people in the haulage business know perfectly well that no such assurance can be given with complete confidence.

The regulations covering heavy transport are tight, although perhaps, in some respects, they could be stricter. There are laws governing the carriage of petrol, but no parallel laws controlling the transport of liquid gases.

Gas tanker operations are subject to the usual safety regulations covering all heavy goods vehicles, and the companies which transport dangerous gases apply their own strict rules which cover both vehicle safety and the training of drivers.

Meanwhile, legislation is being prepared to cover gas tankers and laws should be in force by the end of the year.

Severe burns still carry high mortality rate

By Our Medical Correspondent
Extensive severe burns carry a high mortality rate despite recent advances in treatment. If more than 80 per cent of the body surface is burnt the chances of survival are low, and many of the campers must have suffered injuries of this severity.

When the full thickness of the skin is destroyed, the body loses large amounts of fluid and protein from the burn, often the lungs are damaged by inhaling hot air and smoke. People with burns of this seriousness are best treated in specialist units with ability to monitor fluid balance and shock, equipment such as air-beds, isolation units to prevent infection, and facilities for plastic surgery.

However, even in the best-equipped units patients with extensive full-thickness burns have a high mortality rate. The burnt skin can be replaced with grafts only if there is unburnt skin elsewhere on the body from which grafts can be taken.

M Giscard sends minister to coordinate medical aid

From Charles Hargrove
Paris, July 12
President Giscard d'Estaing today instructed M Olivier Guichard, the State Secretary for Foreign Affairs, to go to Spain immediately to see what help France can give in transporting and treating victims of the catastrophe.

Mme Simone Veil, the Minister for Health, stated after this morning's Cabinet meeting that a inventory had been made of all beds in French hospitals specialising in treatment of burns. All emergency medical teams had been alerted to assist in reception of the injured. Two teams left Bordeaux during the night to join in rescue work.

Five hospitals in Bordeaux are waiting to receive injured French nationals, and several ambulances have left Perpignan for the scene of the disaster.

All injured are being treated in the nearest Spanish hospitals, but repatriation of those who wish it raises a problem, the Foreign Ministry said today, because doctors sometimes judge that they cannot be moved.



man who had driven from Marseilles waiting for news of his relatives in the police incident room.

OVERSEAS

Vorster supporters join outcry over death of prisoner

From Nicholas Ashford

Johannesburg, July 12

For once almost all sections of South African opinion were unanimous today in their condemnation of the death in police custody of Mr. Tabaala, a young black prisoner, who fell from a fifth floor window of the security police headquarters in Port Elizabeth on Monday.

Editorials in the normally pro-Government Afrikaans press could almost have come from anti-Government English-language newspapers. Typical of the reaction was an editorial in the *Johannesburg Daily*, which stated that "our own people, among them some of the Government's best supporters, simply cannot tolerate these extraordinary deaths in detention any more".

The *Road Daily Mail* said it was unbelievable that the incident could have been allowed to happen while the prisoner was in the hands of the same security police branch as held for Steve Biko, the Black Consciousness leader who died while in police custody last September.

Even Current Affairs, a programme on the state radio system, which normally manages to find a pro-Government angle in the murkiest of events, commented that the death

should never have been allowed to happen.

Criticism was concentrated on the fact that the dead man was being interrogated in an unsecured room on the fifth floor. Earlier this year Mr. James Kruger, the Minister of Justice, introduced regulations that interrogations should take place at ground level if properly safeguarded rooms on an upper floor were not available.

Mr. Kruger said in a radio and television broadcast that the Port Elizabeth police headquarters was still being fitted with bars across windows.

The South African authorities seem to have already made up their minds that Mr. Tabaala's death was suicide. Although the senior police officer who has been appointed to investigate the incident has yet to make his report.

Mr. Tabaala and another black man were arrested on Monday morning in connection with alleged incidents of arson and robbery, by uniform branch police who handed them over to the security police for interrogation later the same day.

Mr. Tabaala, who was dead man's father, said his son had been previously detained in October last year for allegedly attending an illegal gathering. He had been found not guilty and discharged.

Buthelezi plan to put pressure on firms

From Our Correspondent

Johannesburg, July 12

South Africa's biggest black political organization, the Zulu-based Inkatha movement headed by Chief Gatsha Buthelezi, is to launch a campaign to force hundreds of foreign companies to adhere to employment codes of conduct and recognize black trade unions.

Among companies which are to be singled out for special attention are Inkatha are Unilever, Tate and Lyle, Shell, Mobil and Premier Milling.

Details of the campaign will be given at the annual congress of the Inkatha movement which began in Umtata today. It was drawn up after discussions overseas recently between Inkatha leaders and foreign governments, trade union movements,

employer organizations and pressure groups.

Among the pressure groups believed to have been consulted are the London-based Anti-Apartheid Movement and the banned African National Congress.

Inkatha plans to urge companies to apply to four different codes of employment—the EEC code, which called for recognition of black unions, American and Canadian codes, and the Urban Foundation code for South African firms.

Should any employer refuse to apply a code, several strategies are envisaged, including pressure on the parent company abroad and the Government of the country in which it is based.

Mugabe 'power struggle'

From Our Correspondent

Salisbury, July 12

A member of Mr. Robert Mugabe's Zimbabwe African National Liberation Army (Zanla) said here today that the guerrilla forces based in Mozambique were deeply divided and dissidents were put into detention camps.

Mr. Gibson Sibhole, nephew of the Executive Council member, the Minister of Agriculture, said at a news conference that many guerrillas would soon be making their way back to Rhodesia now a majority rule government was in sight.

He said there was a power struggle within the Zanla camp between Mr. Mugabe and his right-hand man, Mr. Joshua Tongogara, both of whom were only interested in personal power. An aura of distrust was evident at all levels of command throughout the guerrilla forces.

Mr. Sibhole, who said he had escaped from a Mozambique jail and fled to Swaziland last week, said Mr. Tongogara was only using Mr. Mugabe and his followers and was waiting for the right moment to depose him.

He claimed that most of the guerrilla cadres supported his uncle's Zanla movement.

Mr. Sibhole would not say who had broken out of prison with him or where his comrades were.

Joshua: Mr. Joshua Nkomo's wife, Mrs. Nkomo, announced today that his forces had killed "at least 15 people" near Lake Kariba, bringing to about 30 the deaths of soldiers and civilians in the area over the past four days.—A.P.

Albania determined to stay non-aligned after 18-year link with Peking ends

Belgrade, July 12

From Desha Trevelyan

Now that Albania has severed its links with China it has cut itself off from all the big powers. Although it was Peking's decision, made public yesterday, to cut off all economic aid to Albania and withdraw its technicians, constant criticism from Tirana of Chinese policies made the break inevitable.

Eighteen years ago Soviet experts withdrew from Albania in similar circumstances, leaving unfinished buildings and factories which the Chinese took over and completed.

Relations between Albania and China had been cool since before Chairman Mao's death. Albanian suspicions were aroused by Peking's rapprochement with Washington in 1972. But it was only after Chairman Hua's regime took over that the facts became apparent.

Last year the rift became an open one with Albania's public condemnation of the Chinese "three worlds" theory. The Chinese decided to pull out its technicians from Tirana and to have been taken on the same day.

What may have been a deteriorating factor in Peking's decision is an article published in the Albanian party newspaper *Zeri i Popullit* on June

26 in which Albania implicitly classified China as an imperialist country on the issue of Vietnam.

This article was sweet music to Moscow, where Tass published it in full, as it showed that Albania, which had hitherto been a staunch foe of the Soviet Union, had taken a view which Russia shared.

The Chinese see recent developments as a sign that Albania is turning to Moscow. But such predictions have not so far been substantiated and most observers, including the Yugoslavs who have been closely watching developments in Albania since the estrangement from China began, exclude any possibility of Albania seeking to mend its fences with Moscow.

A few days ago a fierce attack on the recent meeting of Comicon, repeating the usual denunciations of Soviet economic exploitation, was published in Tirana thus showing that as far as Albania is concerned there is no intention to restore relations with Russia.

Moscow has been putting out feelers for a number of years about renewing diplomatic relations and has always met a blunt refusal from Tirana, which remains wary of any suggestion that would admit Soviet diplomats and increase

Frightened families in mass flight from city where robbery and rape are commonplace

Renewed bloodshed ends Beirut hope of recovery

From Christopher Walker

Beirut, July 12

The savage new round of fighting in Beirut between Christian militiamen and Syrian troops has dealt a cruel and possibly mortal blow to the city's brave attempts to revive its former fortunes in the wake of the civil war which ended 18 months ago.

Empty apartment blocks, shuttered business premises, deserted streets and reports from local airline offices all bear witness to a new and sustained wave of emigration by frightened families no longer prepared to tolerate the continuing bloodshed and tension.

According to a spokesman for Middle East Airlines, ticket sales have increased by 85 per cent since the latest fighting broke out at the beginning of last week. Bookings to most destinations in the world now take at least a week and extra

ships have been brought into service between Lebanon and Cyprus to cope with the exodus.

A senior Arab diplomat explained today: "the real significance is not so much the numbers who are leaving but the type of people in the queues. This time it is not only the very rich, but the ordinary traders who have fled the city through the dark days of the civil war but have now reached the end of their tether."

His words were borne out by recent conversations which I have had in both Christian and Muslim areas of the capital, where tension is still so high that the minimum taxi fare has been charged to cross the dangerous no-man's land between one side and the other is now \$50. Often when stopping is heavy, no drivers can be convinced to make the journey at all.

Although the predominantly Muslim quarter of West Beirut

has suffered little in the latest round of investment, the buzzing of its commercial heart by Israel jets last Thursday has confirmed the worst fears of many of its residents that the prospects for an early return to normalcy are now minimal.

Apart from fears of outside intervention, the proliferation of armed groups who openly flaunt their weapons on the streets has led to an almost complete breakdown in law and order. Armed robbery and rape have now become commonplace, with the victims often afraid to report the crime for fear of local reprisals.

The Muslim owner of a small taxi firm who is leaving next month for an uncertain future in America told me: "If it were just myself I would stay and continue to make money, but I have to think of my children; there is no future for them here any longer. We have given Lebanon two years to get back

on its feet, but there is always somebody waiting to kick it down again."

Similar pessimism is echoed throughout the expatriate business community, especially by bankers who this week have again been forced to set up temporary premises in hotel rooms and elsewhere because of the grave security situation in the main financial district.

Even before last week, most were living here without their wives and families and commuting regularly to the family home abroad.

The British-born owner of a food wholesaling company explained that the general absence of personal security was the main factor leading to the present widespread and unprecedented atmosphere of despair about the future.

"When even your own goods are being hijacked by the local police, there really seems little point in carrying on," he said. "Whereas in the aftermath of

the civil war, it was possible to desert some hope, there does not seem to be any left now."

Virtually every aspect of Lebanese life has been disrupted by the latest upsurge of fighting, which has left many without water, electricity or telephones. The official baccalaureate examinations have been postponed for the second time this summer, emergency food supplies are being flown in from outside countries and the Red Cross is making daily appeals for blood donors.

By a stroke of bitter irony, July was to have been the month when an ambitious \$55m scheme for the reconstruction of the business sector of the stricken capital was to have been inaugurated. Much of the area designated for renovation has seen some of the bloodiest fighting of the past few days, and understandably no one in authority is now prepared to predict if or when the scheme will get under way.

Demand for eight-year Ginzburg sentence

From Michael Binyon

Moscow, July 12

The prosecutor at the trial of Mr. Alexander Ginzburg in Kaluga asked today for a sentence of eight years in a labour camp with a "special regime"—the harshest possible category, which includes a severely restricted diet.

He also asked for a further period of three years in exile to a remote part of the Soviet Union, according to court officials.

Mr. Ginzburg today dismissed his lawyer, Mrs. Yelena Resnikova, not because he was dissatisfied with her but because he wanted to speak tomorrow in his own defence.

His wife, Mrs. Arina Ginzburg, who was ejected from the court yesterday because she called out one of the witnesses was a liar, was again refused entry today and made a second appeal to the court. Mr. Ginzburg's mother, Ludmila, was allowed in, as she has been each day.

Mr. Ginzburg was said to be looking very ill in court. A witness said he felt ill and had to be given an injection by a doctor. He asked the court if he could speak slowly because of the effects of the infection.

His wife was given permission to speak to the doctor who examined him, and said that her husband was suffering from high blood pressure.

"I don't know what to do, he might be dying," she told Western correspondents in Kaluga afterwards. On the opening day of the trial she said that he looked like an old man of 60 after his 17 months in prison. He is 41.

The prosecutor's demand is not the maximum for a conviction for anti-Soviet agitation and propaganda. As a second offender Mr. Ginzburg could be sentenced to 10 years imprisonment followed by internal exile.

A closed session of the trial of Mr. Anatoly Shcharansky today heard written evidence from Mr. Robert Toth, the Los Angeles journalist whose testimony appears to be the basis for the charge of espionage.

Mr. Shcharansky's family were barred from this morning's session, which continued in camera. The court examined the statements that Mr. Toth was forced to sign by the KGB before he was allowed to leave the Soviet Union and which he believed to document his contacts with Mr. Shcharansky. According to the brief official court summary, Mr. Shcharansky said he had nothing to say about Mr. Toth's evidence.

Mr. Shcharansky has challenged the need to hold any of the trial in camera, but a panel of experts has concluded



Mr. and Mrs. Katz and their baby Jessica among those outside the Moscow court.

that information on the Soviet defence industry and its installations is classified and constitutes a state secret.

At noon the court resumed what is officially an open hearing, and Mr. Shcharansky's brother, Leonid, was allowed in. However, his mother, Mrs. Ida Milgrom, was again denied entry.

Among the dissidents and sympathizers gathered outside the court today were four American Jewish students on a student tour of the Soviet Union, who said they heard about the trial from Soviet

Jews they met at the synagogue.

A Jewish couple, Mr. Boris Katz and his wife Natalya, were there with their baby Jessica. Jessica was suffering from a malabsorption syndrome—inability to digest food—and an outcry was raised in the United States over the Soviet refusal to allow the parents to take the child to America for treatment. The baby now appears perfectly healthy. The parents said they had brought her to the court because she was a "symbol of the Jewish movement".

China accuses Hanoi of 'Hegemonism' plot

Peking, July 12—China today

accused Vietnam of dreaming of becoming the overlord of south-east Asia.

A commentary in the *People's Daily*, organ of the Communist Party, said Vietnam was acting as junior partner in a drive by the Soviet Union for world domination.

The border conflict, the expulsion of Chinese nationals from Vietnam, and Vietnamese attempts to disrupt relations between Peking and the countries of south-east Asia, were part of an overall plot in which "the Soviet superpower provides cover and support for the Vietnamese hegemonism", the newspaper asserted.

The New China news agency reported from Hanoi last night that talks to allow two Chinese

ships into Vietnamese ports to evacuate Chinese refugees had reached an impasse due to what it called the "unreasonable attitude" of the Vietnamese authorities.—Reuter.

Hongkong: Vietnam alleged today that picking a quarrel with Hanoi was the sole objective of China's dispatch of ships to Vietnam to repatriate Chinese.

The Vietnamese party newspaper *Nhan Dan*, quoted by the Vietnam News Agency and monitored here, blamed China for the deadlock, accusing it of stubbornly insisting on unacceptable demands.

China tonight rejected as "mere fabrication" the Vietnamese allegation made yesterday that Chinese fighter aircraft had intruded into Vietnamese airspace.

US tried to exchange dissident for prisoner

From David Cross

Washington, July 12

While pressure from hawks on Capitol Hill and elsewhere continues to build up on the Administration for a tougher response to the Soviet dissident trials, Administration officials have disclosed that Washington tried to secure the release of Mr. Anatoly Shcharansky before last week's announcement of his trial.

According to the officials, Mr. Cyrus Vance, the Secretary of State, raised the possibility of a prisoner exchange with Mr. Anatoly Dobrynin, the Soviet Ambassador to the United States, during at least one of their regular meetings here.

The attempt was unsuccessful, however, because the Administration denies that Mr. Shcharansky ever had any intelligence contacts with the American authorities and was unwilling, therefore, to exchange him for anyone convicted of spying in the United States or elsewhere for the Soviet Union.

In response to allegations in reports from Moscow that the prosecution is seeking to establish links between Mr. Shcharansky and the Central Intelligence Agency, Mr. Robert Toth, a former Moscow correspondent of the *Los Angeles Times* and close friend of the Jewish dissident, has categorically denied there was anything secret about his job in the Soviet capital.

"All the information I collected on the Soviet Union was for publication," he has told various interviewers.

The Administration is still considering what new steps it might take to further underline its disgust at the trials. A State Department spokesman said today that the review of options covered the broad spectrum of the Soviet-American relationship but he declined to provide specific examples.

Polisario orders ceasefire in Sahara

Algiers, July 12—The Polisario Front, which is fighting a guerrilla war against Moroccan and Mauritanian forces to establish independent Western Sahara, today ordered its forces in Mauritania to observe ceasefire.

The decision came two days after a bloodless military coup in which President Mok Ould Daddah of Mauritania overthrew and his Government replaced by a military committee.

The Front said in a statement issued in Algiers: "After recent events in Mauritania instructions have been given to the Saharan Popular Liberation Army to stop temporarily operations in Mauritania in order to give a chance of good and out of a desire not to increase tension."

Mr. Bachir Mustapha Seydou, deputy secretary-general of Polisario Front said: "We have offered the new authorities Mauritania a chance to review the criminal policy imposed by the state because this is the only way in which a real revival will be achieved in Mauritania."

The message referred to suffering inflicted on "Saharan" Mauritania by Moroccan people "by the in Western Sahara. It said coup in Mauritania had occurred because these people no longer tolerate the situation."

Mr. Mustapha Seydou said: "We are sure a more serious situation in Mauritania which Moroccan patriots surely be able to overcome. The army seized power in Mauritania because it on the verge of bankruptcy according to its own President Colonel Mustapha Ould Sala."

He also said in an interview broadcast last night by Mauritania radio and monitored by the military administration would cooperate with Mauritania in seeking a solution to Saharan problems.

There were other political and social motivations for the coup, he said, but the main one in the eyes of the forces was the fact that Mauritania was on the brink of bankruptcy.

This had caused a "crisis among the people due to economic stagnation, financial decadence, a danger of revolt, of a poor uprising and a reaction from those who felt the danger towards which our dear country was moving," Colonel Sala said.

"The armed forces are in full awareness and responsibility, without any civil being disturbed in their private lives."

Abduction of girl alleged

Piraeus, July 12—A 60-

old Greek fisherman was taken on 20 before a Piraeus court on charges of having caught Helen-Mary Dutton, English girl, aged 16, a pi

spokesman said. The charges have pressed against Ioannis Korinis by the girl's father, Leonard Dutton, formerly a thespian, who, married to a Greek woman

Landslide Burnham victor in Guyana referendum

Georgetown, July 12—Official

results from Guyana's referendum on constitutional changes today showed that Mr. Forbes Burnham's Government was getting an overwhelming 97 per cent endorsement of its plans.

But the opposition, which had urged voters to boycott yesterday's poll, said that both the ballot and the results were rigged.

According to the official returns, from more than half the polling districts, 350,838 votes had been counted, of which 252,364 were in favour of altering the constitution so that a two-thirds majority in Parliament would be sufficient to approve future constitutional changes.

The Committee for the Defence of Democracy and the Citizens' Committee, which represent most of the referendum opponents, said: "The results so far published clearly demonstrate the utter ruthlessness and shamelessness of the PNC (People's National Congress Party) which is bent on per-

petrating itself in the wishes of the people.

The figures were so far moved from reality, the opponents said, "that it must be seen as marking a new start in the development of a totalitarian regime."

The official figures said 7 per cent of the electorate voted, but the two communist put their estimate of the turnout at under 10 per cent.

La. General Juan P. Asfuen was today close to victory in a Bolivian presidential election clouded by widespread accusations of electoral fraud.

With just over half the vote counted from Sunday's poll, the National Electoral Council said that General Pereda—a was backed by the military government—had won 48.9 per cent support.

Unless he received 50.1 per cent of the vote, the President will be chosen by the new congress which was also elected on Sunday in the country's first national elections for 12 years.

Leading article, page 2.

Brazilian opposition parties helped by reform

From Patrick Knight

Sao Paulo, July 12

The announcement of Brazil's long-awaited political reforms has not served to restore the initiative to President Geisel, who is concerned about the advance of the new opposition groups in the National Redemocratisation Front.

The reforms will effectively restore the rule of law to Brazil and return to a more autonomous parliament powers of which it has been long deprived.

The opposition Brazilian Democratic Movement (MDB) has now joined forces with the Front with both the independent presidential candidates, Senator Magalhães Pinto and the nationalist General Euler Bentes Monteiro.

The main issue now is whether the previously named MDB, most of whose members have come to make the best of being in permanent opposition, will have the will to grasp the chance to gain power, with all the risks that might entail for its privileges to be restored.

President Geisel's proposals, now before Parliament, have been welcomed by the Church, businessmen, the legal profession and several MDB leaders.

The special powers which the President now has to act alone and to limit the powers of Congress are to be circumscribed. In future the President will not be able to declare a parliamentary recess or terminate an elected mandate, either at national or local level. He will not be able arbitrarily to remove from their posts public officers, members of the armed forces or teachers.

He will be able to declare a state of emergency for six months, under which many of these powers will be restored to him, but this has to be ratified by Congress within five days and the constitution cannot be changed during that time. Banishment, the death penalty and life imprisonment are to be ended, and habeas corpus will be restored.

The long period when only two artificial political qual-

ifications have been permitted is to end. New parties may be formed, requiring support from 10 per cent of Congressmen or 8 per cent of the electorate, distributed over at least 11 of Brazil's 21 states.

Congress will vote on these proposals when it resumes sitting in August.

Although there was strong pressure for the special powers to be ended, the Government also hoped to proceed strengthened to the October presidential elections.

November general election as a result of increased prestige. But although the President is reported to have made more concessions than he had planned, the Front continues to flourish.

General Bentes Monteiro has remained apart from the "political" group of generals which now holds power and which had hoped to transmit it to General Joao Baptista de Figueiredo, former head of the security service.

General Euler Bentes and

his backers within the MDB have now persuaded a now reluctant leadership to join the Front. Senator Jo Magalhães Pinto, an independent candidate, has joined it.

Senator Geisel, a senator from a small state, has a project through to completion and his nominee succeeded by a new threat to President Geisel's strategy has emerged in the form of an amendment to the constitution, proposed by Senator Franco Montoro.

When a proposal to modify the constitution was thwarted in the MDB in April, 1977, President changed the rules that a simple majority rather than the previous two-thirds would be sufficient for an amendment to be made.

Taking advantage of this Senator Montoro has now proposed that all elections to Parliament should again be direct, as they were before April, 1977.

In this event, control of the Senate would almost certainly pass to the AIDB in November.



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Racing

A map of France with the following regions labeled in French: Champagne, Alsace, Bourgogne, Beaujolais, Bordeaux, Côtes du Rhône, Provence, Minervois, Corbières, Roussillon, and Corsica.

Louis Heren in Washington finds doubts and confusion over US foreign policy

Why Mr Carter needs one big success

Washington

I was met with a weary smile in the White House yesterday when I suggested that the President had failed to exercise leadership in foreign policy, and had yet to decide the direction in which he wanted to move.

The reverse was true, it was said. Perhaps he had attempted too much, that his agenda was overly ambitious, but I was correct to the extent that there was no grand design and there were no slogans.

The hallmark of Mr Carter's foreign policy, it was said, was that he had accepted global complexity. He was not prepared to reduce any problem to the lowest common denominator in order to fit it into a preconceived grand design. He had learned, it was implied, from the mistakes of previous presidents, especially President Kennedy.

There was another weary smile when I also suggested that reading the texts of recent presidential speeches and those of his immediate advisers gave the impression that Mr Carter was receiving conflicting advice. Certainly his advisers were not unanimous, there were no yes-men it was said, which was surely to be commended, but the area of disagreement was not wide.

The President and his advisers were agreed that the basic problem remained unchanged, and that was the structuring of a stable deterrent. There could be no disagreement about that. There were no hard-liners, but the continuing build-up of Soviet military might in Europe could not be ignored. It could lead to a confrontation short of war, perhaps even to war.

The President also had an obligation to ensure that what the Cubans were doing in Africa would not prevent the United States from influencing the political and economic development in Africa.

The new situation confronting Mr Carter was that the continuing East-West conflict was now interacting with the developing North-South frictions. This was evident in Ethiopia and Angola.

The new Salt treaty was one way of achieving a stable deterrent. There were other ways, it was said, such as the development of new weapon systems, but Salt was obviously preferable.

The United States and the Soviet Union were close in signing an agreement, although it was impossible to say when. There were still four areas of disagreement where neither side was willing to concede, but an agreement was almost certain.

It was also certain that the Senate would ratify the treaty, but it could be linked with Africa if the country felt that the United States was being pushed around by the Soviet Union.

This was one consequence of entering the world of complexity. The era of simplification with its grand designs was over.

This was also the challenge, it was added, and Mr Carter's policy was not so much to achieve a balance of power as to push for the wider participation of key states. The United States must widen its relationship beyond western Europe and Japan.

The present trilateralism was not enough. That was why the President had visited key countries such as Nigeria, Iran and Saudi Arabia.

China was an important element, and it was said that the recent visit to Peking of Mr Zbigniew Brzezinski, the President's national security adviser, had been useful. A basis for consultative relations had been established, and it was hoped that bilateral relations could be improved.

Normalisation would then follow under its own momentum.

The approach to China was cautious. The United States did not



Mr Carter: blurred signals.

want to aggravate Sino-Soviet tensions. It could not be insensitive to Soviet suspicions, but would not permit Moscow to exercise a veto on American policy. The Soviet Union could, of course, participate, although the United States would proceed alone if necessary.

This is the general direction and intention of President Carter's foreign policy as outlined in the White House. Clearly there are differences between Mr Cyrus Vance, the Secretary of State, and Mr Brzezinski. Mr Vance obviously believes that the drafting

and ratification of the Salt treaty are of vital importance. Mr Brzezinski, while acknowledging their importance, is more aware of the new complexities.

The two men respect each other, and their different approaches are not divisive. In any case Mr Carter makes the decisions. They do not, however, explain the confusion and doubt, to quote the chairman of the House International Relations Committee, generated by the President. There are other factors, much deeper and more worrying.

First, Mr Carter does not appear able to articulate his foreign policy. His speeches, which should be signals of his intentions to Congress, the American people and foreign governments, are badly confused. Their signals are blurred and confusing.

Second, and this in part follows upon the first, he has failed to create a broad consensus among the electorate. Because of Vietnam and Watergate, Americans are still suspicious of their elected representatives. Life is good for the majority and they do not want any more foreign adventures. The consequent absence of slogans, alas, makes consensus-building all the more difficult.

Third, and perhaps more important, the President's spirited defence of civil rights could be unacceptable to the Soviet Union. It could bring about an ideological conflict, incapable of peaceful resolution. It might have provoked Moscow into bringing Mr Anatoly Shcharansky and the other dissidents to trial.

Mr Carter's defence of civil rights has roots deep in the American psyche. The intention is wholly noble, and I for one think it admirable, but the wisdom of making civil rights an issue could be questioned if it made impossible the successful negotiation of the Salt treaty.

There was no such questioning at

the State Department, which has recovered a good deal of its old confidence under Mr Vance's secretaryship. It was admitted that the President might have bitten off more than he could comfortably chew, but in this increasingly complex world its many problems could not be safely ignored.

The civil rights issue had given the United States the ideological initiative, and the President could not urge right-wing regimes to behave themselves and ignore the violation of civil rights in communist countries. There was no reason to believe that

Mr Carter had provoked the Soviet government into bringing Mr Shcharansky to trial. Nobody could be certain, but Moscow might well have decided to crack down on the dissidents before signing the Salt treaty.

The President and Cabinet were trying to remind Americans, and their friends and enemies, of the intrinsic strength of the United States. The Soviet Union was puny in comparison, capable of satisfying the economic wants of its own people and Eastern Europe, and with little to offer the Third World.

This, it was suggested, could explain the build-up of conventional weapons and the arms supply and Cuban in Africa.

The dangers were acknowledged, as was Mr Carter's inability to articulate his policies, but the men at the White House and State Department were convinced that he was moving in the right direction. All he needed, they said, was one major success and the confusion and doubts would disappear.

The confidence was impressive, but President Carter has yet to persuade Congress, the American people and the Press. And must assume, because of those muffled signals, that the Soviet Union has also to be persuaded.

Ronald Butt

The unacceptable face of patronage

The Government appears to be using its powers to replace Conservatives and others by its own sympathizers on bodies which are not supposed to be political at all

It never does to make too much of historical similarities, but it is silly not to profit from such genuine insights as they can provide into contemporary affairs.

At the moment, for example, there is something of genuine significance to be learned from the resemblance between the shape of the present Labour attempt to defeat and discredit the Conservatives and the methods used by the Whigs to destroy the old Tory Party after 1714.

I do not mean to imply that the present attack on the Tories will be as successful as that of the old Whigs was, but there are circumstances which are particularly to the present moment which suggest that it will not be. Nevertheless, the similarity of tactics is such that if Labour could succeed in getting control of the Government, it would be employing the tactics it is now employing, the Conservatives could conceivably suffer dangerous long-term exclusion from influence, just as their Tory forbears did.

There are broadly two common factors operating now that also operated then. The first is the insistence that the Tories are incapable of governing in the circumstances of the time. Of course all political parties always say that their opponents would be bad for the country if they were in charge; that they would be fundamentally inefficient, and would operate on wrong political principles.

But to say that a party would make a bad or undesirable government is very different from asserting that it is unable to govern at all; that the pieces would come apart in its hands; that all hell would be let loose if it had power; that it simply would not be able to govern in the same sense that some teachers cannot control their class rooms.

It is this sort of allegation that is now being made. In the eighteenth century, this effect was achieved by the Whigs' insistence that the Tories were obstinately and irredeemably Jacobite. Some of

them were; their leader Bolingbroke had tarred himself with that brush before the arrival from Hanover of the Whigs' client-king George I—and the substance gave further substance to the Whig claim by running away to the French court of the Old Pretender.

But irreconcilable Jacobitism was never the condition of more of the Tory Party which had, after all, helped to make the revolution of 1688; which remained unwilling to accept a Catholic king; and which had, after all, refused to make a move for the Stuarts when Queen Anne died.

But the Tories' old sympathy with Stuart legitimacy, which had generally become more sentimental than practical, was a powerful weapon in Whig hands for frightening people away from giving the Tories office. It was repeatedly used to suggest that the Tories in office would promote their old cause and so destroy peace of the realm.

Today, equivalent use is made by the Labour Party of the Conservative former quarrel with the unions under Mr Heath. The fact that there is no longer any chance of another Tory government trying to enforce an incomes policy by law, or to impose new legal restraints on the unions, is allowed to cut no more ice now than was the truth in 1715—which was that if the Tories had been given office under King George, most of them would have quickly abandoned their already fading sentimental attachment to King James.

What people always want from governments most of all is peace and order: it matters to them even more than consumer durables. That is why, if you go into the City of London today, you will hear men who are by disposition natural Tory supporters muttering about the danger of a confrontation with the unions under Mrs Thatcher.

They have allowed their memories of a very brief episode in 1974 give colour to the Government's accusations

and they feel a little anxious—just as the men of the eighteenth century were induced to worry lest a Tory government would somehow mean civil strife in the Jacobite interest.

But there is another parallel also. As well as successfully labelling their opponents incapable of governing, the Whigs also set about systematically excluding them from office and influence of every kind. George I started the process by appointing an almost entirely Whig ministry despite the overwhelming Tory majority of his first House of Commons, and the Whig complexion of all subsequent Parliaments was ensured by the use of patronage (including government funds) and "fixing".

The Whigs did not rest content, however, with only turning the Tories from high political office. They routed them out of all government departments (including, most importantly, the Treasury) in days when a civil servant was not expected to be politically neutral—and from all sorts of other offices as well, high and low, including local administration. The process was not pushed so far as to encourage resistance to it but it was pursued relentlessly until even the county officials and the JPs were all Whigs.

Mr Callaghan and his party also understood the value of digging in and of capturing the places of influence and patronage. It was revealed by Peter Hennessy in *The Times* that the Prime Minister was

skilfully devising a new scheme which would enable a new class of civil servants to

be introduced into Whitehall by direct ministerial patronage instead of the open competition which replaced patronage in the nineteenth century.

Under recent governments, the practice has grown of allowing ministers to bring political or special advisers into Whitehall as temporary civil servants—some on the confidential cabinet model. Their function is principally to act as encouragers of the minister's party-political conscience when he is beleaguered by impartial officials who stress the dangers and snags of doing what he and his party would like to do.

The present normal term of such appointments is five years, but an attempt is now being made to see if they could be put on a more permanent footing. If it succeeds to any extent, it will take us backwards to the time when it was assumed that politicians should use patronage to install their officials; it will take us nearer the American "spoils" system than it will undoubtedly blur the distinction between the political and the Civil Service function.

However, the number of people having this kind of function is at present limited. Mr Bernard Donoghue, the Prime Minister's special adviser, is the best known of them and their function is at least plain to see. Far more insidious, and potentially of even greater significance, is the process by which the Government appears to be using its powers of patronage to replace Conservatives and others by their own sympathizers on bodies which are not

supposed to be political at all—the growing number of quasi-governmental organizations (the "Quangos") which proliferate in a highly socialized society.

These include a whole range of bodies from tribunals which administer the law, to the various consumer councils attached to nationalized industries, and, of course, appointments to various parts of the welfare state structure.

There is now a great deal of evidence which gives rise to anxiety about the political implications of such appointments. A good deal of it has been gathered together by Mr Philip Holland, the Conservative member for Carlton, who has astutely extracted information from ministers in Parliament, and there is evidence from other sources, too.

The most conspicuous case of the systematic replacement of Conservatives and non-Labour activists so far has been the National Consumers' Council, where Lady Macleod (the widow of Mr Iain Macleod) was replaced as chairman by a former Labour councillor (the deputy chairman is also Labour), where at least the National Consumer Council, where Lady Macleod was replaced as chairman by a former Labour councillor (the deputy chairman is also Labour), where at least the National Consumer Council, where Lady Macleod was replaced as chairman by a former Labour councillor (the deputy chairman is also Labour).

It is not easy to quantify precisely the extent to which this sort of trend is becoming general, but having examined Mr Holland's evidence, I do not doubt that there is reason for concern about the growing extent of this kind of patronage, and about the way in which it is being used. There is particular cause to worry about the extent to which people sympathetic to the politics of the present Government are being used to replace Conservatives and others by their own sympathizers on bodies which are not

supposed to be political at all—the growing number of quasi-governmental organizations (the "Quangos") which proliferate in a highly socialized society. These include a whole range of bodies from tribunals which administer the law, to the various consumer councils attached to nationalized industries, and, of course, appointments to various parts of the welfare state structure.

There is now a great deal of evidence which gives rise to anxiety about the political implications of such appointments. A good deal of it has been gathered together by Mr Philip Holland, the Conservative member for Carlton, who has astutely extracted information from ministers in Parliament, and there is evidence from other sources, too.

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Korchnoi: the dissident at the chess table

How fascinating that the struggle of Soviet dissidents to achieve their freedom as individual citizens should extend to the quintessential Soviet game of chess. The challenge in the world chess championship match, which begins this Sunday in the alpine resort of Baguio City in the Philippines, is a grand master dissident—Viktor Korchnoi.

By contrast the holder, Anatoly Karpov, is in the good sense of the word, a conformist. Ever since his talents for chess were revealed as a youngster, he has been cared for and coached to become a super-star, he is today. He represents the successful end-product which Soviet industry seeks to produce in conferring so many advantages on its sportsmen.

Korchnoi, no less talented, and until his defection two years ago, almost as celebrated a figure in Soviet chess, is the rebel. As he made clear in his recently published account of his chess career, his resentment at petty restrictions, at the KGB presence lurking at foreign tournaments, at the constant feeling of being under supervision from the chess authorities, grew so intense that he decided to leave, for good.

This was quite a different kind of decision from that of Soviet Jews, who seek to emigrate to Israel, because as a chess player and former Soviet champion, Korchnoi enjoyed all the privileges that the Soviet life can offer. Admittedly, he has what would be described in the West as an artistic temperament, of the kind that makes creative people difficult to deal with, so it might have been hard for him to settle down in any country. In the Soviet Union, the strain was clearly too much.

The question now is whether

Korchnoi can keep his strong feelings under control for the extended duration of a world championship match. The winner will be the first to score six victories, which allowing for draws and other hold-ups means that the match may last two months or more.

Even more prestige attaches to the outcome. It is no longer simply a matter of being the best chess player in the world, which in Soviet eyes is a very signal honour indeed. The match is bound to be seen in Moscow as a struggle between the established Soviet way of sport, and the dissident who has dared to answer back, and reject the glittering prizes. For Korchnoi's name now is hardly to be uttered aloud in Soviet chess.

It must be emphasized that Karpov, far his part, seems an extremely likeable as well as a greatly gifted young man, and has shown in his powerful play, over successive tournaments that he is a worthy champion. Moreover he has the advantage at 27, of being 20 years younger than his challenger. A whole battery of supporters, advisers, and analysts will be available to back him up in the match. Korchnoi will have the benefit of two English grandmasters, Keene and Stean.

Although the chess experts rank Karpov as the favourite to win, the outcome is open. If Korchnoi can avoid the kind of over-excited and almost paranoid reactions he suffered in the final qualifying match against his compatriot Spassky—when he claimed that secret "rays" were being directed at him from a auditorium, and then blundered away his queen—he could well win. Karpov, with the full weight of Soviet sport upon his young shoulders, will need all his undoubted mastery to withstand the attack.

David Spanier

Wild grow the orchid carpets

It is a remarkable year for wild orchids. They have been flowering in greater numbers than usual since April, when galaxies of early purple spikes thrust up between cowslips on the last of the undisturbed downland. Others grew tall among bluebells in old woodlands.

There was a brilliant display of marsh orchids in May. Their flowers showed up in carpets of buttercups in a few damp meadows, and were "bischoff's violer" according to the R.H.S. horticultural colour chart.

By the end of the month, spotted orchids began colouring drier orchardaceous places. It was then too, that the parade of the spider and insectivorous orchids started. In one chalk hill nature reserve, a colony of over 300 of the rare early spider orchids grew straight from an otherwise flowerless slope, where larks sprang up to sing and short buzzards ground out key-jangling tunes from the tops of small thorn bushes.

Fly orchids were late and by the time their frailer stems had competed with taller vegetation at the edges of woods, the exotic fly-flowers were difficult to see. In London, they were plenty of them. But the lilac-winged bee orchids stood out eye-catchingly in patches of short turf.

Several white fragrant orchids came up along the banks of a shepherd's road, with a multitude of the more usual pink flowering-heads. They scented the air one humid day as ruminant blue



butterflies, brown argus' and green baldfaces, pattered about between them and the rockroses, kidney vetch and birdsfoot trefoil, that covered the ground.

There have been more butterfly orchids than have been seen for years as well as beveries of pyramidalis. They are both tall enough to survive the invasion of coarse grasses which have crept over the chalk slopes, since the days when sheep and rabbits kept them mown.

The biggest excitement of the season, though, has been the recent sudden sight of a curly-tipped lizard orchid standing well over two feet tall with a few unfurled buds still to open. It is the first time since 1954, as far as is known, that one has appeared on this particular south-facing range of hills among the fragrant plants of thyme and marjoram in the Home Counties.

Alison Ross

ARTS DIARY

Orchestras and managers in discord

When Gavin Henderson, the young general manager of the Philharmonia Orchestra, announced six weeks ago that he was resigning it was widely suggested that it was another case of an orchestra and its manager falling out. And so it has proved, despite the public statements of mutual good will.

Mr Henderson's resignation was sparked off by an issue over the treatment of the orchestra's staff by the council of management. He had other reasons for wanting to leave, but there was a building-up of pressure, made more difficult because he has no vote on the council and thus has to rely on persuasion.

Although he is only 30, he has in three years with the Philharmonia helped to bring about a revival in the orchestra's fortunes. There are now moves among the players to retain him as a consultant, although that is being resisted within the council.

Basil Tsichalkov, the council chairman, said yesterday: "It is all quite untrue". Henderson refused to comment.

His sudden departure is nothing new among managers of London's self-governing orchestras: in the past decade, the managers of the London Symphony, the Royal Phil-

harmonic and the Philharmonia have lasted an average of only two or three years.

Unsuitable appointments and insufficient money have contributed to the rapid turnover, but the main reason seems to be that the musicians are unwilling to leave the manager to get on which his job. There is an excess of industrial democracy, with players not only becoming involved in all sorts of administrative matters.

The dangers are recognized: one orchestral chairman said it was crucial for the orchestra to choose the right man and then to give him his head.

The one great survivor among the managers is Eric Bravington, who has been managing director of the London Philharmonia for nearly 20 years. He is helped by being a former player in the orchestra, but believes the most important factor is that he has a seat on the orchestra's board.

Peter Diamand, the retiring director of the Edinburgh Festival, expected to take over shortly as general manager of the Royal Philharmonia. Perhaps wisely, he will have a seat on the board.

Lorin Maazel will be conducting the Philharmonia Orchestra in a complete cycle of Mahler symphonies in the coming season, culminating next May with the eighth, the Symphony of a Thousand, at the Albert Hall.

New conquests for Norman

The popularity of playwrights is often gauged by their West End successes but the staff at Leeds Playhouse have produced the town's first top 10 plays, based on performances throughout the provinces.

Using the "on next week at" column in *The Stage*, which lists plays at repertory and touring theatres, the Playhouse said that, judging from the number of times a title appeared between April 1977 and March this year, the most popular plays were:

- (1) *The Norman Conquests* (Alan Ayckbourn); (2) *Macbeth*; (3) *Absurd Person Singular* (Ayckbourn); (4) *Twelfth Night*; (5) *A Man for All Seasons* (Robert Bolt); (6) *Stevie* (Anthony Shaffer); (7) *Hamlet*; (8) *The Importance of Being Earnest* (Oscar Wilde); (9) *Mrs Warren's Profession* (Shaw); (10) *The Mating Game* (Robin Hawdon).

It is a notable, if not unexpected, triumph for Ayckbourn, since his *Norman Conquests*, a trilogy, is still more popular than any single play. Those who deplore declining standards in the theatre may be cheered that there are three Shakespeare plays listed and only one sex farce, and that two intellectual comedies from Tom Stoppard, *Travesties* and *Junkies*, almost made it into the top 10.

shot to worry, darling; we can always sell the sort of righte...



Six years after their play, *The Island of the Mighty*, caused a furor at the Royal Shakespeare Company, the husband and wife team of John Arden and Margaret P.A. are launching a new collaboration: *Vandeleur*.

Folly. The play, set in Ireland in 1831, tells of a country gentleman who turns over his lands to a self-supporting co-operative. Directed by the authors, it will be presented by the 7.84 Theatre Company at the Nuffield Studio, Lancaster, in October, and then on tour.

Dreaming of a dance theatre

The Royal Ballet's policy of eschewing guest artists in the coming season, to give younger dancers more opportunities, is regarded as only a stop-gap measure by the company's new director, Norman Morrice.

The real answer, he believes, is more performances, and his immediate aim is to increase the company's touring. But his eventual hope is for a spacious theatre in London, totally devoted to dance, which could provide room not only for the Royal Ballet but also for the London Festival Ballet and for visits by the large foreign companies kept out of London by the lack of theatres.

Morrice has already inspected one or two large London cinemas that might be suitable for conversion to a ballet theatre. He dreams of a brand-new "ballet house" to stand alongside the Royal Opera House, but the dream tends to be spoilt when he thinks of the difficulties of raising the necessary money.

While Morrice ponders on London locations, the Festival Ballet flies out tomorrow to make its debut at two of the most important venues in America: the Metropolitan Opera House in New York and the Kennedy Centre in Washington.

Nureyev will be dancing in such works as

Romeo and Juliet and Giselle, and the ballerinas include Eva Evdokimova, Patricia Ruanne and Elisabeth Terabust.

Soliloquy with sphinx

When Timothy West appears with his wife, Prunella Scales, at the Mermaid Theatre on Tuesday, he will give a performance of extracts from Shakespeare, he will no doubt be hoping to avoid the sort of contretemps that blighted an earlier Shakespearean excursion.

He was in Egypt last year, on a tour with productions of *Hamlet* and *Antony and Cleopatra*, and a performance of the latter was planned on a stage in the front of the Sphinx. Delighted by the setting, the players were even more pleased when they were told that the Pyramids could be illuminated during Alexandrian scenes in the play.

However, an emissary from the British Embassy explained that another production of *Antony and Cleopatra* was being performed in Cairo, an amateur show featuring members of the embassy staff. He asked if it was possible for the professionals not to provide competition.

So, diplomatically, the actors took to the stage in front of the Sphinx and performed *Hamlet*, complete with illuminated Pyramids.

Martin Huckerby

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THE PUNTERS' FRIEND

It took as Lord Rothschild has pointed out, nearly ten years for the most important recommendation of the last Royal Commission on Gambling—the legalization of betting shops—to be implemented. The present Government ought not to take that as a precedent. Many of the 304 proposals of the latest (and third) century Royal Commission on the subject need attention soon. Its report does not deserve the indifferent treatment given to so many Royal Commissions in the past.

The report does not adopt any directly moral stance on the desirability or otherwise of gambling, partly because it did not have enough information about such questions as the number of pathological gamblers and the extent to which gambling has resulted in financial ruin, break-up of families, or other adverse effects. Nevertheless, the tenor of the report is protective of the punter (the term used to describe anyone indulging in any form of gambling).

The Commission's basic philosophy is to ensure that the gambler at whatever level on the housewife spending to pound on the chance that number sixty-six will be mentioned by the bingo caller, the man who every week believes that Queen's Park Rangers can actually achieve a draw, the judicious investor on equine velocity and stamina, or the bored adviser on petroleum affairs with a faith in the supremacy of colours on a wheel painted red rather than black—gets a fair deal. In particular, the Commission wants every gambler to be made aware of the odds against him, and to that end they have made a number of proposals, calling for greater disclosure of the probabilities against winning, as well as providing an excellent, detailed appendix on odds. The Commission also takes the responsible view that, as far as possible, there should be no pressures on

people to gamble, and no positive stimulation of demand.

If the lack of a specific social attitude can be criticized (members of the Commission were divided on how far a paternalistic approach was appropriate to save over-indulgent or irresponsible gamblers from their own excesses) it is on the grounds that no distinction is drawn between those types of gambling activity which can, in practice, bring ruin and disaster, and those that do not. On that test, punters indulging in the first, which includes casinos, bingo, horse and greyhound racing, and one-armed bandits, all of which have the possible element of continuous staking, need more protection than those who participate only in occasional, even if regular, gambling, on football pools and lotteries.

Most of the Royal Commission's specific proposals are beneficial to the punter, while still allowing those providing the facilities to make a decent, although not excessive, return on their investment. That, too, is the right approach. Trying to tax gambling entrepreneurs out of existence, or otherwise making it impossible for them to operate legally, tends to result in the emergence of illegal operations, often run by people of less than total respectability and integrity, which are likely to act greatly to the detriment of the individual gambler. It is far better to have most gambling lawful, but bedged with sufficient legal and financial restraints to ensure minimal exploitation of the punter.

The Commission's firm view in favour of a national lottery for good causes is sensible, especially in times of national financial stringency. There is no evidence from other countries that such lotteries are harmful, and there is a great deal that they are of considerable benefit to socially desirable causes which might otherwise not be high on a government's spending list. The pro-

posal for a national lottery is of particular significance in view of the Commission's sharp criticisms of the way local lotteries are being run at present. Only two years after their becoming legal, it is already clear that, as the Commission says, the law governing them is inadequate and confused, and "the situation we have discovered is scandalous". A large national lottery for national causes, coupled with much smaller locally (and not professionally) run lotteries for genuinely local causes is likely to prove the most beneficial arrangement.

The partial reorganization of racing, too, makes sense. The Jockey Club, which has unrivalled expertise, would continue to be the most influential body on the administrative side of the sport, within, however, a much more democratic national umbrella body. It would not, however, have its hands on the money, which would still be the responsibility of a (smaller) Levy Board.

The Commission's proposals on the football pools and the game of football itself are less logical. It wants 3 per cent of the stakes placed on the pools to be used directly to help the sport, which is in some financial difficulty. But so are many other sports. Indeed, it could be argued that football deserves special help far less than a host of other popular activities. It is not particularly well run, and suffers from more than its share of petty internal squabbling. Its financial problems are partly the fault of its own administrators, at all levels. The fact that the pools' wealth is based on football games should not be the dominant factor. Most people would put their weekly stake on lacrosse results if the prize money was large enough. Football, like other sports, could in any event put in a claim for help from the national lottery for good causes.

British policy on Rhodesia

From Lord Alport

Sir, An experienced Rhodesian observer at the Geneva Conference in 1976, said afterwards "I am afraid that we will have to suffer much more before the realities of our situation are understood by the people of Rhodesia".

That suffering, for both black and white, is only just beginning. The anxiety which those who, like myself, have for so long watched this avoidable tragedy developing, is that the realities seem to be so little understood by those who followed Mr Ian Smith before and after UDI in 1965, and by those who are now associated with him in the interim Government.

No doubt, they can assess the realities which face them in terms of Southern Africa, following the collapse of the Portuguese Colonial Empire, the intrusion of communist influence into Angola and Mozambique and the concerted policies of the so-called Front-Line Presidents.

They should not, however, be allowed to misunderstand the realities of the British political situation or of Rhodesia's significance internationally. Whether there is a Conservative or a Labour government in power at Westminster in November next, sanctions will be continued by Order-in-Council. There is now not the slightest chance that British troops will be available in any role except to assist the South African supervisory and peace-keeping force. The British Government of any party will be bound to recognize that the "Rhodesian Problem" is no longer one which can be assessed within the limits of a residual colonial responsibility. It is now an issue which has worldwide significance and in which are implicated the power complexes of the East and of the West and of the whole African continent itself.

Successive British Governments

of both parties have tried to find a formula whereby the tiny European minority in Rhodesia might accept peacefully the inevitability of majority rule. Invariably these initiatives have been rejected. It is now too late for Mr Smith and his supporters to expect Britain to mount a rescue operation, apart from an attempt to keep the negotiations between the Rhodesian parties in being.

If a government at Westminster were tempted to go it alone—to remove sanctions unilaterally and perhaps even to offer military support for a Rhodesia driven by bloodshed and disruption to the limits of its endurance, that government would face a situation parallel with Suez. It would have no international support, it would be politically isolated, morally unconvincing and financially base.

Some Conservatives, in positions of apparent influence—at any rate to ill-informed and wishful thinking Rhodesians—pretend that the United Kingdom has the interest and the power to rescue them from the blood stained and tragic situation into which they have got themselves.

It would be the final betrayal of the Conservative Party's long and honourable record of service to the historic Commonwealth and Empire, if the public statements of any leading Conservative were to suggest to Mr Ian Smith and those associated with him that the realities of terrorism day by day, of international isolation and continuing sanctions can be ended or mitigated by some stroke of British policy.

The only help Britain or anyone else can give to Rhodesia is through international action designed to enable Zimbabwe to start its political life with a reasonable chance of success.

Yours faithfully,
ALPORT,
House of Lords,
July 12.

Mr Heath's campaign

From Mr Michael McCrone

Sir, I feel today's editorial (July 5) ascribes too much importance to Mr Heath's speech, in which he promised to campaign as hard as he had ever done for the return of a Conservative government at the next general election.

Obviously all support for the Tory leadership is welcome, especially from Conservative MPs. It is Mr Heath's public endorsement of Mrs Thatcher really such a valuable asset? In particular, is his standing among the electorate so high that he now has "a greater reputation for statesmanship than he ever enjoyed in office"? I think not. Surely it cannot have been forgotten that he led the Tory Party to electoral defeat in the two general elections of 1974. The electorate rejected him then, and his image must undoubtedly have been diminished rather than enhanced by his childish behaviour upon losing the Conservative leadership.

Mr Heath's obsession with the "middle ground" and the politics of "moderation" lost the party these two elections and, judging from his speech, he shows no signs of having abandoned these failed ideas. Furthermore, many will not have forgotten Mr Heath's record as Prime Minister and in particular his notorious "U-turn" on economic policy, his abolition of Stormont, and his dragging of an unwilling United Kingdom into the EEC. Thus by all means let us welcome public support for the Tory Party, but let us not over-estimate its importance when it comes from a politician, such as Mr Heath, of doubtful electoral popularity.

The man whose public endorsement the Tory Party desperately needs is Mr Enoch Powell, who clearly has tremendous support in the country for his lone and

courageous stand on such issues as immigration and the Common Market. It only be would make a speech promising to campaign for the return of a Conservative government then, and only then, would such an editorial as that in *The Times* be justified. For the moment, let us hope that he will adopt this course of logic and that Mr Heath's speech has not damaged the Tory party's electoral prospects.

Yours faithfully,
MICHAEL MCCRONE,
Hesket Hall,
Low Hesket, Carlisle, Cumbria.

From Mr Stephen Sherbourne

Sir, Some Conservatives have apparently seen Mr Heath's expressed wish for a "moderate" and "broadly based" Conservative government as somehow falling short of full-hearted support for Mrs Thatcher and her team. To believe that they must presumably expect a Thatcher government to be extremist and narrowly based. Given the composition and policies of the Shadow Cabinet, it is hardly a realistic expectation. Yours faithfully,
STEPHEN SHERBOURNE,
4 Ashdown,
Camball Road, SW15.

From Mr B. J. Davies

Sir, I have come to regard Mr Heath as one of the very few reasonably honest politicians whose views deserve attention and respect. Having been told whom he now supports, may I say that I feel sure he will be the first to recognize that the withholding of this information would merely be to confuse and weaken the democratic process. Yours faithfully,
B. J. DAVIES,
16 Hill Road,
Swanage, Dorset.

Dr Banda's rule

From Mr Paul Theroux

Sir, In his report on Dr Hastings Banda (July 4) Nicholas Ashford writes "the mass of Malawians seem to tolerate, almost enjoy, his autocratic style of government". They may seem to, but from personal experience I can assure you, sir, that they do not. Their tolerance is a product of indifference and joyment—the dancing ladies and adulterous songs—is enforced. The Young Pioneers of Ashford speak of ensuring that untheatrical citizens are dealt with harshly. Jehovah's Witnesses and Malawians of Indian descent have been brutally

treated by the Israeli-trained Young Pioneers, who do little more than government sponsored thugs.

The ladies praising Dr Banda as a lion and a conqueror are merely repeating his official titles Ciroombo (Great Beast) and Ngwazi (Conqueror)—"Life President", "Founder and Father" and "Messiah" are some others. Kamuzu, though italicized in the piece, is not a title but rather his middle name. It means "little root" and is perhaps more appropriately descriptive to this tiny dictator. Yours faithfully,
PAUL THEROUX,
53 Elzay Road, SW16,
July 4.

Official secrets reform

From Mr Roger Darlington

Sir, I was fascinated to read in *The Times* (July 7) the account of the interview of Mr Charles Morris by Mr Peter Hennessy when reference was made to my article in *The Guardian* (July 3) on reform of the Official Secrets Act.

Apparently Mr Morris, Minister of State at the Civil Service Department, denied the assertion which I made in the following sentence of my article: "All this is a great deal more than has occurred in Whitehall, where no serious study has been made of the implications of creating a statutory right of access to official information." Instead Mr Morris insisted that the CSD had examined the experience of the United States, Sweden, Canada, and Australia.

Leaving aside the fact that such an examination is hardly original (six years ago Appendix IV of the Franks Report covered similar ground), Mr Morris seems to have missed the point that the phrase "all this" in the sentence quoted referred to the previous sentence which listed a number of studies made by a variety of organizations on the implications of introducing a right of access to information here in Britain.

During my period in Whitehall as a Special Adviser, I read every paper submitted to the Cabinet committee on reform of the Official Secrets Act in the course of the lifetime of this Government, and I can recall nothing except the most

brief and general reference to a statutory right of access to official information. Certainly I cannot remember any kind of detailed study of the likely shape of British legislation on this subject. There was at least an effort to cost the operation of such legislation, although the additional expenditure occasioned by a statutory right is the most frequently used argument against it.

Of course, it is always possible that officials did make a detailed study on British freedom of information legislation but it was never shown to Ministers. I very much doubt this but, if it were to be the case, then it would simply confirm me in my view that Ministers have not considered sufficiently thoroughly all the available options. If a Government Minister chooses to challenge on the record my political credibility, then he cannot be surprised if I seek to set straight the record.

Mr Morris has an excellent opportunity to achieve three objectives at the same time. By publishing the study which he has in mind, he can prove me wrong; he can demonstrate the commitment of his department to open government; and he can assure the Government of a less than totally hostile reception for what promises to be a bitterly disappointing White Paper on the Official Secrets Act. Yours sincerely,
ROGER DARLINGTON,
107 Farmer Road, E10,
July 10.

Proposed increase in top salaries

From Mr Nicholas A. H. Stacey

Sir, The Wardeo of Nuffield College (July 5) argues from non-100-firm premises about top salary increases. First, he assumes there should be parity of pay increases for all top people—including professors; but even academics must concede that we must attract the best people to the nationalized industries to cut their deficit so that more of the taxpayers' money should be available for subsidising learning.

Second, it speaks of condescension to suggest "paying these people more" because "they live deprived lives". Pray, what is their deprivation? Chief executives of companies, I would argue, are exposed to a more diverse as well as more hazardous life than teachers. Third, I trust the Warden's exhortation for social engineering by government will be heeded. Such experiments have not been too successful in real life.

As to his plea for more egalitarianism, I wonder how Sir Norman would feel if he were called upon to pay several hundred thousand pounds to Red Adair for a day or two's work for putting out an oil well head fire? Would it put him in a dilemma? Knowledge, experience and performance in industry demands recognition, financial as well, since such qualities are nationally, and internationally, in short supply. Any employer will confirm that to the Warden of Nuffield: as to his complaint why so much of any salary increase goes to the Exchequer instead of into employees' pockets—I heartily concur with his complaint.

Yours faithfully,
NICHOLAS A. H. STACEY,
Reform Club,
Pall Mall, SW1.

From Mr R. J. Gardner

Sir, I can't recall the precise words but a member of the Association representing the Top People said that if the Boyle recommendations were not implemented the Government could expect to face their collective anger. But what of the anger of managers in hard pressed private industry if they are not of this or that? These are the people who get paid by results and who go to the wall with their businesses if profits, which are increasingly hard to earn, are insufficient to provide working capital. And why are profits hard to come by? It is because of the increasing burden of taxation on the private sector, making nationalized industries and to sustain the growing expense of bureaucracy.

Doctrine on marriages

From Father John Tracy, SJ

Sir, The controversy over the Pope's decision on the royal marriage has become needlessly confused. The confusion arises mainly from the failure to recognize that two dispensations were involved:

(1) The dispensation for a Catholic to marry another Christian who is not a Catholic;

(2) The dispensation for a Catholic from the canonical obligation to bring up his or her children as Catholics. The first dispensation, as hundreds of happily married couples know, presents little or no difficulty, and today needs no higher authority than a parish priest. It is a dispensation from a law of the Church, which can properly be referred to as a "ruling" or "regulation". The second dispensation concerns, according to Catholic teaching, not a law of the Church but a divine law. So the real question was not whether the Pope should grant this second dispensation, but whether he could.

There has been needless confusion, because the revised directory on Mixed Marriages issued by the Episcopal Conference of England and Wales in November, 1977, is explicit: "It is of greater importance for a clear understanding of this whole matter that we clearly discern which obligations arise from God's law, and which from

The Top People should not feel so hard done by. They are in relatively safe jobs, they usually retire early and there is no reason why within a few years of retirement they should not be earning considerably more than when they worked. After all, following the Boyle increases pensions of £25,000 pa at 60 could soon be realisable. With index linking and a rate of inflation of 10 per cent pa that would become £69,843 at 70. Heaven forbid that any of them live till 80.

As they stretch out their hands for their increases have they stopped to think how the end result is to be funded? Yours faithfully,
R. J. GARDNER,
The Coach House,
Barley Thorpe,
Near Oakham, Rutland.

From the Reverend Leslie M. Wollen

Sir, It would have encouraged us all in these days of big wage claims if four or five of the heads of nationalized industries had written a letter to you banking the Boyle Commission for their kind report and going on to say that they were not in the job for the money but because they believed in at least a measure of social control over our basic industries and were grateful for the privilege of sharing the responsibility for it.

They might have added that as they were already receiving more than enough to live on they were taking John the Baptist's advice to be content with their wages. Yours faithfully,
LESLIE M. WOLLEN,
Rosa Cottage,
Kidnalls Road,
Pillowell,
Lydney, Gloucestershire.

From Mr N. J. Mustoe

Sir, Who says we want a more egalitarian society? I don't. I want an improving standard of living for myself, as do most people in this country, but this will be achieved by increasing the wealth of the country, not by taking from the rich (ie anyone with more money than me). If Warden and Canons don't like their pay then they can set off their behinds and find a better paid job elsewhere. If they won't move because they like their present jobs, then they can shut up. Yours faithfully,
N. J. MUSTOE,
The Gables,
Tiverton,
Tarporey, Cheshire.

the Church's law, not least because the Church can, and will when it seems good to do so, waive the laws she makes herself. She can never waive the laws of God. . . . It is beyond the Church's power ever to dispense a Catholic from the obligation to see that as far as possible the children will be baptized and brought up in the Catholic faith."

Naturally many Christians will not agree with Catholic teaching that this obligation is of divine law; but granted that this is the Catholic teaching, it would seem that the Pope has been criticized—and by some Catholics—for not exercising a power to which he believes he does not possess. Yours faithfully,
JOHN TRACY, SJ,
Farm Street Church, W1,
July 12.

From Lord Hailsham of St Marylebone, C, FR5

Sir, Miss Margaret White (July 11) is well entitled to express her own opinions. But, in her anxiety to do so, she has no right at all to attribute to me opinions which I have not expressed, nor to put on such opinions as I have expressed a construction which they are by no means capable of bearing. Yours, etc.
HAILSHAM,
House of Lords,
July 11.

The Bahr case would be absurd if it were not tragic. We feel that to punish a man in this way for daring to publish his work is deplorable. It may be that publicity for this case will persuade the German Democratic Republic to think again, and we ask all who have contacts with that country to make clear their condemnation of a judgment from which not only Mr Bahr, but the whole cause of human rights and free expression, to which the German Democratic Republic subscribes at Helsinki, has also suffered.

ERIC S. HEFFER,
Roo Chairman,
PHILIP WHITEHEAD,
Hon President,
Eastern European Solidarity Campaign,
House of Commons,
July 7.

I have been told this work is supposedly for the good of the moor and its inhabitants, also its visitors. I would suggest this theory to be questionable as well as costly. Yours faithfully,
MARY SIEPMANN,
Cullford Cottage,
Buckfastleigh,
South Devon.

Overdressed

From Mr J. W. E. Blanch

Sir, In a recent Test match one of the umpires was required to carry a fielders protective helmet in addition to various sweaters and caps, etc. What would happen if the umpire declined to be a clothes horse and refused? Is there any other sport in which the officials are asked to act as cloakroom attendants in addition to their proper duties? Yours,
J. W. E. BLANCH,
Harefield,
The Borough,
Brookham Green,
Betchworth,
Surrey.

Long-term unemployed

From Mr Frank Field

Sir, The outlook for the long-term unemployed is more grave than outlined in your report "Special benefits planned for the long-term jobless" (July 3). The Government estimates that the labour force will grow by a million by 1986. It is now unlikely that we will achieve a growth rate which will produce enough jobs to match this increasing work force. The numbers of unemployed, and particularly the long-term unemployed, will therefore increase.

Two immediate changes are called for to protect those who are bearing our unemployment. Fewer and fewer of the workless qualify for unemployment pay because it lasts for only 12 months; by last November only two in five were receiving unemployment benefit. At the same time an increasing number are pushed on to supplementary benefits; up from 16 per cent in 1948 to over 50 per cent in 1977.

In addition the unemployed receive lower benefits than other claimants. By this November a married couple on long-term supplementary benefit rates will draw benefit 25 per cent above that paid to the long-term unemployed. Similarly, after six months, an unemployed family with two children draws national insurance benefits worth 38 per cent less than a family without work because of illness.

With long-term unemployment increasing urgent action is needed to spread the costs more evenly throughout the community by abolishing the rules which make the unemployed second-class claimants. Unemployment benefit should be paid at the highest insurance rate for six months, after which it should be reduced to the rate for those who are forced to depend on supplementary benefits should be entitled to the long-term rate after two years along with other claimants.

Some will argue against these changes

for fear of increasing the numbers of workless who remain idle. Here the concern of taxpayers overlaps with the interests of the unemployed themselves. From our conversations with the unemployed it is clear that after a few months most employment exchanges cease to send claimants for interviews with potential employers. Much more effort must therefore be given to placing the long-term unemployed in those jobs which are available.

Such a change in procedure should command itself to those who see the growth in long-term unemployment as sowing the seeds for public disorder. Increasingly the young are finding their way into the ranks of the long-term unemployed and the political consequences of this have yet to be considered seriously by politicians.

These reforms should be pursued with urgency while the Government, employers and trade unions are seeking to reduce the number of workless jobs. Yours faithfully,
FRANK FIELD,
Child Poverty Action Group,
1 Macklin Street,
Drury Lane, WC2,
July 12.

A recruit for Labour

From Mr Edward Taylor, MP for Cathcart (Conservative)

Sir, I am amazed that Mr Skeffington-Lodge (letter, July 3) can take comfort from the fact that Jimmy Reid's main rival for the Dundee East Labour nomination was a candidate even further to the left: are we to take it, then, that in the context of today's Labour Party, Mr Reid is now on the Party's right wing?

"It is easy to quote past and current statements by politicians of

all parties" opines Mr Skeffington-Lodge. True enough—but the quotations I gave from Mr Reid came from newspaper articles—not off the cuff remarks—and date only from last year. They show, as Mr Douglas Edgars of the Social Democratic Alliance has acknowledged (*The Times*, July 3) that Mr Reid's reasons for leaving the Communist Party and joining Labour were "not ideological, but tactical". If Mr Reid does now differ significantly from Communist Party in either ideology, principle, or political beliefs, could he perhaps tell us what this difference is?

I frankly was not aware that it was possible to be more left-wing than Jimmy Reid—but, unlike Mr Skeffington-Lodge, I don't claim to be an expert on the Labour Party. If there is indeed left-wing opposition to Mr Reid in Dundee then the only explanation I can think of is that Communists and Trotskyists, who used to fight their ideological warfare in obscure ultra-left sects, now find Labour Party selection conference, a more congenial battleground.

Mr Skeffington-Lodge is obviously struck by Mr Reid's personal qualities—and life would indeed be much simpler if bad causes could never command the support of good men. But Mr Skeffington-Lodge should beware of allowing the "quality of sincerity" to blind him to what is happening to the Labour Party. Sixteen years ago or so he and others were willing to fight and fight again alongside Gaiskell to save the Labour Party from left-wing domination—today, although the threat from the extreme left is much graver than it was then, there is no sign of any effective moderate resistance whatsoever. Yours sincerely,
TEDDY TAYLOR,
House of Commons,
July 4.

Law Report July 12, 1978

Chancery Division

Court of Appeal

Chancery Division

Deferred part consideration for shares not a disposal

Marren (Inspector of Taxes) v Ingles and Others

Before Mr Justice Slade

[Judgment delivered July 10]

Where a contract for the sale of shares provided for the consideration in the form partly of a fixed sum to be paid at once and partly of a deferred consideration payable upon certain contingencies, although the right to receive such deferred consideration constituted an asset under section 22 (1) (a) of the Finance Act, 1965, its satisfaction by payment was held not to constitute a disposal for capital gains tax purposes, under section 22 (3) of the Act.

His Lordship was delivering judgment on cases stated by the Commissioners for the Special Purposes of the Income Tax Acts, on appeals by the Inland Revenue against the decisions of special commissioners in relation to capital gains tax assessments made against Mr James Leslie Ingles, Mr Maurice Richard Linnell and Mr Charles Donald Winton, the respondents.

Mr Michael Nolan, QC, and Mr Brian Davenport for the Crown; Mr Leslie Price for the appellants; Mr David Ritchie for the respondents.

HIS LORDSHIP said that by an agreement of September 15, 1970, the respondents agreed to sell 167 shares in a private company. Of those shares 107 were sold at a fixed price of £1,300 a share, as to which no question arose. The remaining 60 shares were sold for a consideration which, as to part, a fixed sum of £730 a share paid immediately and, for the rest, a deferred payment equal to "one half of the profits" as defined in the agreement, realized upon certain contingencies therein specified.

In the events which occurred, there was a flotation of the 480,000 shares, which, after sub-divisions and a scrip issue, represented the original 60 shares, and upon the first day of dealing after such flotation, which was December 5, 1972, being the relevant date for the purpose of calculating the "one half of the profits" defined by the agreement, the amount of the deferred consideration, in respect of each of the original 60 shares, was £2,825.

It was common ground that, in the year of assessment 1970-71, there was a disposal for capital gains tax purposes of each of the 60 shares for a consideration equal to £730 plus the value of the contingent right to receive the deferred consideration. The Revenue, however, contended that that right was itself an asset, being "incorporeal property" within section 22 (1) (a), from which a capital sum was derived, when on December 5, 1972, that right matured and the deferred payment was made, giving rise to a disposal under section 22 (3). It was accepted by the Revenue that there was no actual disposal of the right to deferred consideration, and that section 22 (3) was the only statutory provision which gave rise to a deemed disposal. The Revenue also conceded that although (as it contended) the right to deferred consideration was not a debt prior to December 5, 1972, it became a debt on that date.

The Revenue had to show that the capital sum, represented by the deferred consideration when paid, was derived from relevant assets, which, they contended, were not the shares of the debt which arose on December 5, 1972, but the right to receive the deferred consideration, as a separate chose in action. Accordingly, two questions arose: (a) Did section 22 (3) give rise to a deemed disposal? (b) If so, did the exemption provided by paragraph 11 (1) of Schedule 7 to the Act in respect of the disposal of a debt, by the original creditor, apply, having regard to paragraph 11 (2) of the schedule, which treated the satisfaction of a debt as a disposal of it?

His Lordship held that the Revenue was correct in its contention that the right to receive the deferred consideration was a new asset which was immediately marketable and was incorporeal property; but that Mr Price was right in submitting that section 22 (3) was confined to cases where, unlike the present case, no asset was acquired in return for the capital sum. His Lordship agreed with the judgment of Mr Justice Walton in *Inland Revenue Commissioners v Montgomery* (1975) Ch 206. In the present case an asset was acquired in return for the deferred consideration, namely, the shares. It

made no difference that the shares had long since been transferred to the purchasers. Accordingly section 22 (3) gave rise to no deemed disposal in the present case.

His Lordship was fortified in his view by consideration of the provisions, under paragraphs 14 (1) to (4) of Schedule 6 to the Act, as to the computation of gains where consideration was payable by instalments.

If his Lordship were wrong, and section 22 (3) did give rise to a deemed disposal, the operation of paragraph 11 (1) was limited to the circumstances referred to in paragraph (2), and would not have assisted the respondents in the present case. If paragraph 11 (1) had had the wide operation contended for by the respondents, based upon giving a broad meaning to the word "debt", then in the circumstances contemplated, namely a deemed disposal under section 22 (3), that sub-section would be deprived of effect.

The appeals would therefore be dismissed with costs.

Solicitors: Solicitors of Inland Revenue; Wragge & Co, Birmingham.

Matter of discretion

Regina v Lyons

A judge acting within his discretion when he refused to grant a defendant's application to discontinue his prosecution services at the end of the prosecution's case and then refused to hear the defendant give reasons for making the application, Lord Justice Waller said in the Court of Appeal.

His Lordship, who was sitting with the Lord Chief Justice and Mr Justice Tudor Evans, was giving judgment dismissing an appeal by Desmond Francis Lyons, aged 39, of Huddersfield, against conviction for perjury at Knightsbridge Crown Court (Judge Sir Harold Cassell, QC). The appellant had received a three months' suspended sentence.

LORD JUSTICE WALLER said that, in the jury's absence and before making his decision, the judge had ascertained that the appellant's counsel, Mr Michael

Private sale not covered by auction conditions

D & M Trailers (Halifax) Ltd v Stirling

Before Lord Justice Megaw, Lord Justice Browne and Lord Justice Shaw

[Judgments delivered July 7]

A condition of sale at a motor vehicle auction restricting the buyer's rights in respect of a defective vehicle was not in the absence of express notice carried forward to a private treaty sale of an unsold vehicle a day or two later.

The Court of Appeal dismissed an appeal by the plaintiffs, D & M Trailers (Halifax) Ltd, from the judgment of Judge Suddards in Halifax County Court in July, 1977, in favour of the defendant, the buyer Mr Andrew Stirling.

Section 14 of the Sale of Goods Act, 1893 (as amended), provides "where the seller sells goods in the course of a business, there is an implied condition that the goods supplied under the contract are of merchantable quality."

Mr Clifford Norton for the plaintiffs; Mr David Mitchell for Mr Stirling.

LORD JUSTICE BROWNE said that Mr Stirling went to a commercial vehicle auction in Manchester

and bought some vehicles. He saw a secondhand Scania tractor unit, but did not buy it; he said in evidence that, as it was being sold without warranty, he was not interested. It was withdrawn. It stayed in the auctioneers' yard, and a day or two later, when Mr Stirling went to settle up for the other vehicles he had bought, he offered the auctioneer £1,500 for it. The auctioneer telephoned to the plaintiffs; there was bargaining, and Mr Stirling eventually bought the Scania for £1,525.

He set out with it for Scotland, but five miles out of Manchester it broke down irretrievably, with serious faults. He returned it to the plaintiffs, who eventually sold it for £1,100. In the action they claimed the balance. The judge found the Scania not to have been of merchantable quality within section 14 of the Sale of Goods Act 1893. It followed, subject to the question of exclusion of the Act, that Mr Stirling had been entitled to reject it and was not liable for the price.

Condition 8 of the conditions of sale at the auction, of which Mr Stirling had been aware, provided: "Where a vehicle is sold... without warranty it shall be implied that it is sold with all faults, defects and errors of description and the purchaser shall have no right to return the vehicle to claim damages or for any other remedy of whatever nature."

Where the auction conditions carried forward to be incorporated in the contract between the plaintiffs and Mr Stirling a few days later? The court had been convinced by Mr Mitchell that they were not. The sale by private treaty was a quite separate transaction. It should not necessarily be concluded that it was on the same terms. Condition 8 was a stringent condition excluding the statutory rights of the buyer, and it was the duty of the seller to bring it to the notice of the buyer that it was being incorporated.

That was enough to dispose of the appeal, and it was not necessary to consider whether in any event condition 8 would have been apt to exclude the conditions implied by the Sale of Goods Act.

LORD JUSTICE MEGAW and LORD JUSTICE SHAW agreed.

Solicitors: Rice-Jones & Smiths, Halifax; Isadore Goldstein & Son, Manchester.

Assets of dissolved police fund

In re Bucks Constabulary Widows and Orphans Fund Friendly Society (No 2)

Before Mr Justice Walton

[Judgment delivered July 11]

Surplus assets of a constabulary widows and orphans fund belonged to the members as at the date of dissolution, and not to the Crown as bona vacantia. His Lordship so held, distinguishing the case of *In re West Sussex Constabulary Widows, Children and Benevolent (1930) Fund* (1971) Ch 1, on a summons by Mr George William Thompson, as trustee of the Bucks Constabulary Widows and Orphans Fund Friendly Society for determination of certain questions.

Mr Robert Reid for Mr Thompson; Mr John Knox for the Treasury Solicitor; Mr Richard McCombe and Miss Judith Jackson represented two members of the society.

LORDSHIP said that the object of the society, which was registered under the Friendly Societies Act, 1896, was to provide by voluntary contributions from members for the relief of widows and orphans of deceased members, for insurance money to be paid on the death of a member, and for the relief of members during sickness or infirmity. On April 1, 1968, the Bucks Constabulary was amalgamated with other constabularies to form the Thames Valley Constabulary, a resolution to wind up being passed on October 31, 1968, and the date of its dissolution being October 14, 1969. The Vice-Chancellor, Sir Robert Megarry, had decided, on the first question raised by the summons, that an instrument of dissolution made for that purpose was ineffective (1978) 1 WLR 641. The question now before the court concerned the destination of the society's assets which had thus been purported to be distributed.

There were basically two claims: the Treasury Solicitor, on behalf of the Crown, as bona vacantia; and the members of the society as at the date of dissolution. If a number of persons associated together for whatever purpose, involving the acquisition of cash or property of any magnitude, then for practical purposes some one or more persons had to act as treasurers or holders of the property; in any sophisticated association they would be trustees.

Usually the association's affairs would be run by a committee, though in a small association the committee might comprise all the members. A trust deed might provide that the property was to be dealt with as directed by the committee, or in accordance with the rules.

In all such cases, unless under the rules the property was to be devoted wholly to charity, or unless and to the extent that other trusts were declared, the only persons interested in the property were the members. No third parties could acquire rights as a result of a valid contract with the trustees or members of the committee, representing the association. It mattered not whether the purpose was social club, a sporting club, to establish a widows and orphans fund, to obtain a separate Parliament for Cornwall or to further the cause of temperance.

But that that quite elementary but it appeared to have been lost sight of to some extent in certain decisions. All the property of the society, under the Friendly Societies Act, 1896, was vested by section 49 (1) in the trustees for the use and benefit of the society. The members thereof, and of all persons claiming through the members according to the rules of the society, were within the concluding words of the subsection; all parties were agreed that the accrued rights of such persons must be given full effect.

No rule said what was to happen to surplus assets on a dissolution, but in view of section 49 (1) there was no need, in default of any rule to the contrary, when a member died, to be a member, the ipso facto ceased to have any interest in its funds. Unincorporated associations were rarely trustee societies, and the longest lived of them expressly so provided by the rules. Though it was difficult to say precisely when assets of the society became bona vacantia, and therefore entitled to its funds, it might suffice if two members remained, but with only one the society could hardly associate with oneself.

An examination of *Cunliffe v Edwards* (1895) 1 Ch 483; [1895] 2 Ch 579, revealed that the relevant Friendly Societies Act, that of 1829, required the rules to state all the uses of the society's funds, and on a dissolution in any case there was no provision in favour of members, so that they were not entitled to any of the assets, with the exception of the cash in hand and surplus assets went to the Crown as bona vacantia. His Lordship referred to other cases, and finally to *In re West Sussex Constabulary*

Widows, Children and Benevolent (1930) Fund Trust, which, he said, gave him the correct answer.

There was, indeed, easily distinguishable what was to be done under consideration was a simple non-charitable association and not a friendly society, so that section 49 (1) did not apply. On the other hand, the present case was a friendly society, and the surplus funds became bona vacantia.

The first reason given for the decision was that the court did not accept that the principle members' clubs was applicable. That was interesting because it was the members' clubs which were the subject of the *In re West Sussex Constabulary* case, as then was in *Cunliffe v Edwards* which Mr Justice Goff was purporting to follow. If all that was in the mind of the court was the principle that the surplus funds of the fund were to be divided among those members' club, one must of course be satisfied that the intention of the members was to divide the surplus funds among themselves, and that in all cases where the surplus funds had been taken, the organization had existed for the benefit of the members, and not being exclusively for the benefit of the members, but what was the principle? It was the members' club, not the organization, that was the subject of the case. It would be in favour of third parties, as clearly, but that that was not demonstrated by the fact that the members' club was not a members' club, and that members could have altered rules prior to dissolution and assets in the Crown's pocket were not to be divided among them. It showed clearly, in Lordship's view, that the mo was not the members' club.

Finally Mr Justice Goff had referred to *Cunliffe v Edwards*, but as a careful analysis of that case was not in the case, and as it was a special case, resting on a special provision of the 1829 Act which longer applied.

His Lordship had already stated that the case before him was readily distinguishable; but apart from that, the case was not in line with the relevant principles of applicable.

His Lordship therefore concluded that the relevant Friendly Societies Act, that of 1829, required the rules to state all the uses of the society's funds, and on a dissolution in any case there was no provision in favour of members, so that they were not entitled to any of the assets, with the exception of the cash in hand and surplus assets went to the Crown as bona vacantia. His Lordship referred to other cases, and finally to *In re West Sussex Constabulary*

Queen's Bench Division

VAT group registration

Customs and Excise Commissioners v Save and Prosper Group Ltd

Before Mr Justice Neill

[Judgment delivered July 6]

The Customs and Excise Commissioners were held to have no power to bear an application by a group of companies for treatment as a group for VAT purposes in relation to a past accounting period. His Lordship allowed in part an appeal by the commissioners from a London VAT Tribunal which had allowed an appeal by Save and Prosper Group Ltd from the refusal by the commissioners of an application for group treatment and granted the application with retrospective effect.

Section 21 of the Finance Act, 1972, provides: "(1) Where, under the following provisions of this section, any bodies corporate are treated as members of a group any business carried on by a member of the group shall be treated as carried on by the representative member, and—(a) any supply of goods or services by a member of the group shall be disregarded."

An application under this section with respect to any bodies corporate must be made... not less than 90 days before the date from which it is to take effect, or at such later time as the commissioners may allow."

Mr Harry Woolf for the commissioners; Mr Stephen Alcock for Save and Prosper.

HIS LORDSHIP said that Save and Prosper transferred its unit trust business to a subsidiary company in 1973. Through inadvertence no application was made to register the subsidiary company for VAT purposes or to include it in the existing registration of Save and Prosper and its other subsidiaries. Consequently, the services rendered by the subsidiary company to the group were chargeable to tax. In 1977 when the failure was discovered, an application was made to register the subsidiary in respect of VAT and group treat-

ment. The commissioners, agreeing to treat the subsidiary retrospectively for VAT purposes, they had no power to include the group retrospectively, refused the application with retrospective effect.

On appeal by Save and Prosper the tribunal held that the commissioners had jurisdiction to make the application, and it determined that the subsidiary was to be treated as a member of the group from 1973.

His Lordship said, in relation to section 21 (7), that it was to be inferred from the requirement to make the application not less than 90 days before the date from which it took effect that any later application was to be made within the 90 days.

His Lordship saw nothing in the Act or the section to limit plain meaning of the subsection that way. The natural and ordinary meaning of the subsection was that an application was to be made not less than 90 days, or (2) such time subsequently as the commissioners might allow.

Although his Lordship agreed with the tribunal that section 21 empowered the commissioners to make an application made after 90 days, it was satisfied that the application was made after the 90 days, and was therefore made after the 90 days.

His Lordship said that the application was made after the 90 days, and was therefore made after the 90 days. He said that the application was made after the 90 days, and was therefore made after the 90 days.

His Lordship said that the application was made after the 90 days, and was therefore made after the 90 days. He said that the application was made after the 90 days, and was therefore made after the 90 days.

Solicitors: Sharpe, Pritchard & Co for Save and Prosper; Messrs & Co for the Commissioners.

Arbitration restrained

Ben & Co Ltd v Pakistan Edible Oils Corporation Ltd

The court has power to restrain by injunction arbitration proceedings in London between a Pakistani corporation and a Singapore company where the agreement to refer to arbitration is impeached by one of the parties for lack of actual or ostensible authority, the Court of Appeal held.

The court dismissed an appeal by plaintiffs, Ben & Co Ltd, of Singapore, and a cross-appeal by defendants, Pakistan Edible Oils Corporation Ltd (Peoc), of Karachi, from Mr Justice Donaldson's judgment in March 3, when striking out claims to declaratory relief, had refused to set aside the plaintiffs' writ and an interim injunction restraining the defendants from taking any steps within the jurisdiction in the arbitration of a dispute between the parties over an alleged contract of 10,000 metric tons of palm oil.

On August 24, 1977, Mr Justice Griffiths gave the plaintiffs leave to serve notice of the writ out of the jurisdiction, and on September 8, the defendants were restrained by an ex parte interlocutory injunction of Mr Justice Kerr from proceeding in the purported reference to arbitration.

The MASTER OF THE ROLLS said that in Singapore in 1976 the Ben company, whose chairman was a Mr Choudhury, was getting into serious financial difficulties. The Straits Steamship Co Ltd came to the rescue and took over the company's interest in Ben from December 31. On January 2, 1977, a new company managing director was put in, although Mr Choudhury remained chairman as a sole to him as the founder of the company.

Then came an extraordinary transaction. Mr Choudhury seemed to have entered into arrangements with the Ben company to sell palm oil to Peoc. On January 14, 1977, through agents in Pakistan who had solicited Mr Choudhury, a contract on the prin-

ted FDSFA contract form 1801 was signed which provided for arbitration in London without reservation by any "practical member of the legal profession". When Ben heard of the contract made nominally on their behalf, they took the point that Choudhury had no actual or ostensible authority.

Peoc commenced arbitration. Ben started proceedings here to stop the arbitration, saying that there was no contract and that if an award was made they might as well as defaulters in the trade. Mr Justice Donaldson said that Ben was entitled to leave to set out the jurisdiction under Order 1 rule 1 (1) (i) of the Rules of the Supreme Court.

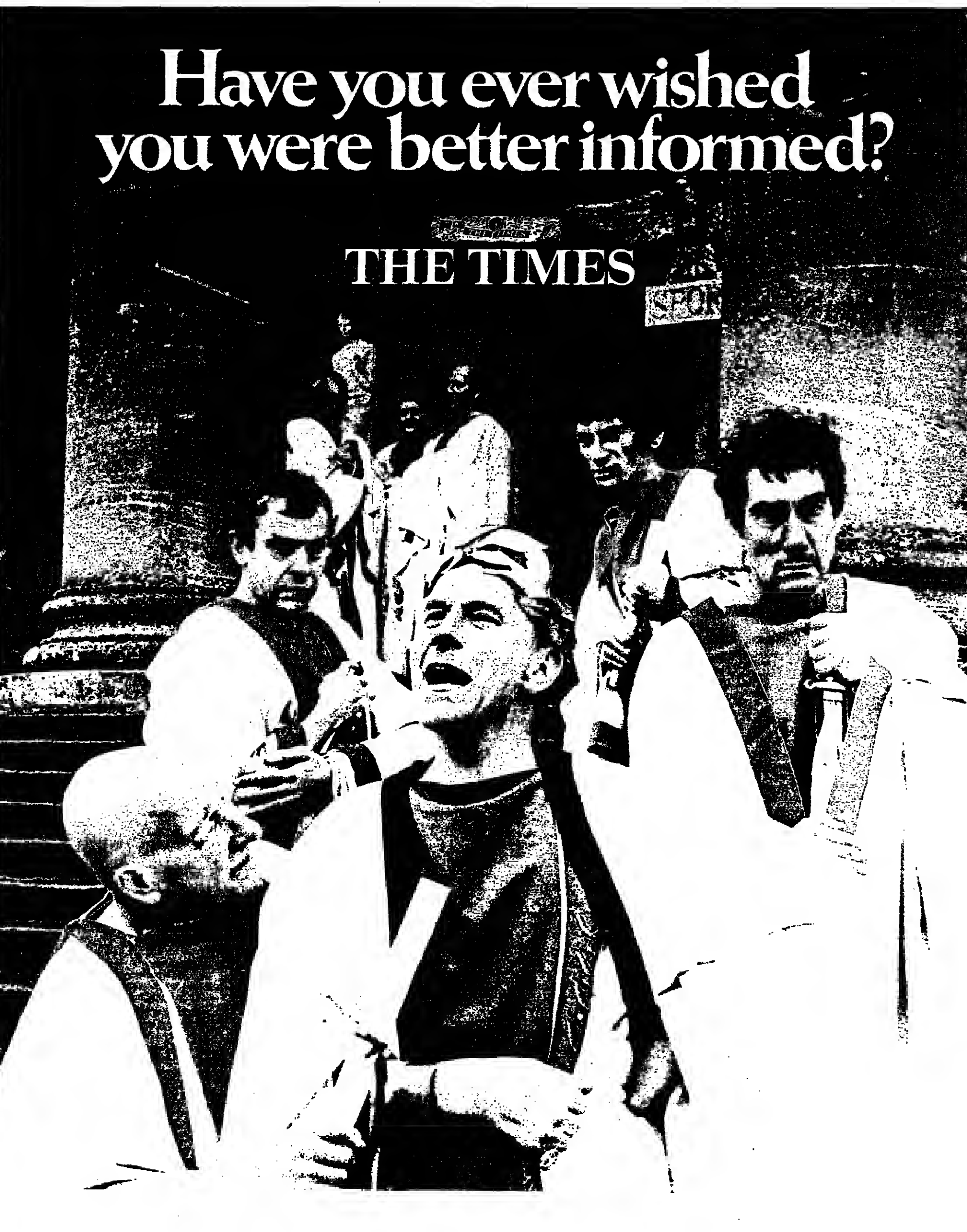
It was submitted for Peoc that there was no jurisdiction to issue an injunction going forward. It was said that the case was governed by *North London Railway Co v Great Northern Railway Co* (1884) 11 QBD 30, and *Stamshaw Den v Little & Co Ltd* (1912) 106 LT 451.

The claim for an injunction was virtually an action impeaching the agreement for the reference to arbitration for lack of actual or ostensible authority. The work of Lord Justice Lindley in *Kills Moore* (1885) QB 253, 254 were entirely apposite.

His Lordship agreed with his statement in *Russell on Arbitration* (18th ed, 1970, pp 79-80) that the court can and will grant a injunction to restrain arbitration proceedings pending decision of dispute as to the validity of the agreement to refer. The court did not consider the *Sis King* (1977) 3 WLR 5181.

It was a proper case for service out of the jurisdiction. The forum was clearly in the resolution of the dispute was the High Court in Singapore.

Lord Justice Eyregh and Sir David Cairns agreed.



حکومت پاکستان

§ Forward bargains are permitted on two previous days

* Est. interest yield.

THE TIMES

BUSINESS NEWS

LAING

LOCAL OR NATIONAL CONSTRUCTION SERVICE

Tokyo unveils emergency import plan ahead of Bonn summit

From Peter Hazell
Tokyo, July 12

Taking steps to appease potential critics at the summit meeting in Bonn, the Japanese Government today announced an emergency import programme and double the level of the nation's official development aid within three years.

Details of the measures were revealed today by Mr. Toshiro Kono, the Prime Minister, who was making preparations to depart for Bonn next week.

Western diplomats claimed that the decision to purchase emergency imports was "slightly disappointing" in view of the fact that Mr. Toshiro Kono, Japan's Minister for International Trade and Commerce, in past weeks, had advocated that \$10,000m should be allocated to reduce Japan's \$14,000m current account surplus.

However, Mr. Shintaro Abe, the chief cabinet secretary, said today that the programme would be expanded when other imports were placed on the emergency shopping list.

In the first stage, \$4,000m will be used to purchase raw materials, iron pellets, aircraft from the Middle East, the United States and developing nations. The country will spend \$120m on uranium ore, \$200m on iron pellets and \$650m on civilian helicopters and aircraft.

Mr. Abe said that the programme would be expanded when other imports were placed on the emergency shopping list.

Mr. Fukuda also sanctioned today an official plan which is

designed to double Japan's official development assistance to the third world within three years. The contribution of \$12,450m in official development aid last year will be used as the basis for the target. The Prime Minister also decided that Japan will continue to allocate its aid in dollars in future.

Japan's decision to double its aid contributions has been delayed by a controversy over the question of whether loans should be allocated in yen or the dollar.

Mr. Susano Sonoda, the Japanese Foreign Minister, has adamantly advocated that contributions should be based on the yen in view of the sharp depreciation in the value of the dollar.

Mr. Sonoda has suggested that any attempt to dole out aid in dollars would undermine Japan's attempt to double its aid programme.

The government has also announced that it has cancelled £240m in debt repayments for the least developed countries, including Bangladesh, Afghanistan, Nepal and Pakistan.

There can be little doubt that Mr. Fukuda will travel to Bonn this week, fully aware that his trading partners will require some concrete assurances that Japan will take firm steps to reduce its long-standing trade and current account surplus with the rest of the world.

Mr. Fukuda's embarrassment, Mr. Fukuda assured a previous summit meeting in London in 1977 that Japan would run up a current account deficit of \$700m during the last fiscal year. Instead, Japan's surplus rose to a record \$14,000m.

Trade talks resigned to ending in setback

From Melvyn Westlake
Geneva, July 12

Serious setbacks are now clearly being suffered at the world trade talks, which are being conducted here against the clock in an effort to reach some kind of interim agreement ahead of the weekend economic summit in Bonn.

As a result, the communiqué that is now being drafted by the industrial nations, seems certain to be very much less concrete on some key issues than had been hoped.

There seems little doubt that within the next 24 hours some kind of agreed text will have been adopted. The drafters, however, will have great difficulty in papering over some of the large, and seemingly unbridgeable, differences that still exist between the major industrial nations over trade protection and restrictive trade practices.

It was clear last night that no firm agreement was in sight on international trade in cereals, and that the United States and Japan were at loggerheads over the level of the latter's proposals for cutting import tariffs.

Both the United States and the European Community claim that Japan's trade concessions are not enough. Ambassador Robert Strauss, the American Special Trade Representative, is believed to have been distinctly acerbic in the latest session when he had today, with Mr. Ushiba, the Japanese minister for external economic affairs.

In what was clearly a device to put pressure on the Japanese, Ambassador Strauss held a press conference at which he deliberately omitted Japan from a list of countries that had shown themselves willing to negotiate positively.

Mr. Strauss refused to criticize the Japanese directly, but as he had nothing new to report at his press conference, it was clear that it was aimed solely at embarrassing the Japanese.

As there appeared little likelihood that Japan would make any further significant concessions in the next few hours, this issue seemed likely to be shelved until the end of the summer when serious negotiations will have to start again.

Equally worrying for trade chiefs here is the failure of separate, but related, cereals conference to achieve agreement. Bargaining on this element of the overall trade package was scheduled to have been concluded by tonight, but negotiators have not given up trying to meet this deadline, and will not meet again until October.

This must be a big disappointment to the United States which has insisted all along that farm trade must become more liberal in spite of this setback.

The Americans continued to claim that very large advances were being made on most fronts, and that the ultimate package of agreements, aimed at reforming the world trade system, would constitute a "very significant result".

There remains, however, a considerable contrast between the robust optimism of United States delegates and the more studied caution of negotiators from the Community.

The problem that has stalled discussion on grains centres on the price levels at which governments would buy and sell wheat.

Institutions see Barclays win vote to buy Investment Trust for sale to pension fund

By Ray Maughan

Institutional investors raised only token vocal resistance yesterday to the scheme for Barclays to buy Investment Trust Corporation and then sell it on to the Post Office Pension Fund for £85m in cash.

The resolution was carried overwhelmingly on a show of hands at the extraordinary meeting called to consider the scheme, and the subsequent poll revealed 12,688,025 votes for the takeover and 2,682,838 votes against.

These represent 21.88 per cent and 4.5 per cent respectively of the total votes available and while 95 per cent of the proxies sent by small shareholders were in favour, it was clear that several institutions had headed the call by the National Association of Pension Funds and abstained from voting.

While the representatives of all but one fund remained silent throughout the formal proceedings, they gave a clear indication afterwards that they would organize more concerted opposition should similar circumstances recur.

Barclays, had made it clear that "we appreciate that a number of large institutional stockholders have indicated that they feel the principle of offering new capital to the existing owners is important".

But, after the publicized adherence to this principle by the National Association of Pension Funds, it was left to Mr. Michael Maurice, the deputy general manager of the National Provident Institution to voice many funds' objections.

He made it plain that "my board believes strongly in the principle that

existing shareholders should be given the right to subscribe for equity unless there are exceptional circumstances, as laid down by the Stock Exchange".

He admitted later that perhaps institutions should have raised objections on broadly similar previous occasions, but he and other fund managers pointed out that they had abstained from voting this time to let it be known that in future any company seeking to broaden its equity base without giving its shareholders the opportunity to subscribe for the new shares would run into "considerable opposition".

Such an attitude would provide a big stumbling block for other deals rumoured to be in the pipeline. In the meantime, Barclays is home and dry and it announced last night that its offer for ITC had gone unconditional after 77 per cent acceptance.

More than 30 names added to pay black list

By Patricia Tisdall
Management Correspondent

More than 30 names have been added to the Government's black list of companies which have breached the present pay guidelines.

The Treasury confirmed yesterday that the number of companies circulated to government purchasing departments as having broken the pay code had now been increased to 57, whereas on June 14 it had stood at 24.

Included on the list for the first time is one pharmaceutical manufacturer. This is an area reckoned to be one of the most vulnerable to sanctions, since the majority of drugs are sold through the National Health Service.

A Treasury spokesman refused to name the company, saying it was not its policy to do so unless authorized by the company concerned. But local health authorities, hospitals and doctors are expected to be advised shortly that they should avoid placing business with the company.

The sudden increase in the black list coincides with intensive behind-the-scenes activity on what will follow phase three pay restraint policy which is due to end this month.

The question of what sanctions should be applied to companies which breach the guidelines and how they should be implemented is high on the list of topics now being considered.

A special working party on sanctions formed by the Confederation of British Industry has already had detailed discussions with Whitehall officials to see how improvements can be made to what it considers to be a highly unsatisfactory arrangement in relation to the present pay guidelines.

It strongly objects to new clauses committing companies to stick to future pay policies being inserted in existing contracts.

There is also deep concern that if, as seems likely, a more flexible phase four pay restraint structure is introduced next month, that there will be difficulties over interpretations of what constitutes a breach.

The CBI would have liked an appeal formula backed by some form of arbitration procedure incorporated in the existing sanction arrangements. It is expected to repeat its plea to further negotiations with government officials which are due to take place shortly.

Federal bank doubts on monetary system

From Peter Norman
Brussels, July 12

The West German Federal Bank appears to be nurturing certain reservations about the proposed new European monetary system which was adopted for further study at last week's meeting of EEC leaders in Bremen.

At a meeting of the cabinet in Bonn today, Dr. Otmar Emminger, the Federal Bank's president, was reported to have outlined certain conditions that he felt would have to be met if the system were to prove durable and non-inflationary as well as promote currency stability.

Dr. Grünewald declined to be reported at a press conference in Bonn by Dr. Armin Grünewald, the West German Government's deputy spokesman.

Dr. Grünewald declined to specify the problem areas to which Dr. Emminger specifically told him not to do so, but added that it was his "subjective impression" that the

difficulties were not insurmountable.

Both the Federal Bank to Frankfurt and the Federal Government in Bonn appear to be unanimous on the desirability of a new monetary system that should serve the twin goals of internal and external monetary stability.

However, it would seem that Dr. Emminger is not the only European central banker to express some doubts.

The Franco-German plan was apparently greeted with scepticism by central bankers at their regular monthly meeting in Basle earlier this week.

The plan will, as one European central bank official put it today, "take much longer to get than to cook".

The most obvious difficulty surrounding the plan is the difference in inflation rates between the various member states of the European Economic Community, exemplified by West Germany's current year-to-year rate of about 2.5 per cent and an inflation rate in France of some 9 per cent.

MPs hear toolmakers' case

By Donald Macintyre

Leyland toolmakers yesterday sought to step up the pressure on their own union and management by giving Labour MPs a thinly-veiled warning of fresh industrial action if their pay grievances are not solved by the autumn.

Leaders of the 3,000 toolmakers, whose strike in the spring of last year crippled the company, pressed on backbench MPs at a House of Commons meeting their case that low differentials were creating serious skill shortages in the company.

They again complained that the executive of the Amalgamated Union of Engineering Workers had failed to meet their demand for separate negotiations.

Their leader, Mr. Roy Fraser, the Cowley convenor, said last night that they would make fresh appeals both to Leyland and to the executive. If, however, they failed, the "frustration" of the members meant that "it is going to be necessary for us to enter a dispute again".

Despite the toolmakers' rumblings, Leyland remains confident that much of the ground has been cut away by the current moves within the company towards a single rate for each job throughout the company.

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Douglas Aircraft chief for London talks

By Business News Staff

The arrival of Mr. John Brizendine, the California-based president of the Douglas Aircraft Company, in London yesterday, was seen as another move in the possible collaboration between the British aerospace industry and manufacturing in other countries.

The American McDonnell Douglas company is one of four organizations which have approached British Aerospace with a view to collaboration in the development and manufacture of new generations of airliners.

The company said last night that Mr. Brizendine's visit was a "routine matter", but that part of his time would be spent with British Airways and British Aerospace executives.

Earlier this week the Government authorized the construction of a new British jetliner, the British Aerospace 146, 40 per cent of which could be built abroad.

McDonnell Douglas is proposing a new medium range jetliner to be fitted with Rolls-Royce engines and the aircraft would be designed and built in roughly equal proportions in Britain, Europe and the United States.

British Airways, which has been campaigning for a straight jetliner for the next generation, is understood to have revised its opinion



Mr. John Brizendine, Douglas Aircraft chief, discussed with British Aerospace and British Airways.

BICC link to General Cable stays

By Peter Wainwright

BICC, the leading United Kingdom wire and cable group which is unwinding an abortive association with America's General Cable Corporation, has discovered that General Cable has no present intention of unwinding its links with BICC.

Mr. Ken Little, the General Cable vice-president said yesterday from Greenwich, Connecticut: "We have a 8 per cent stake in BICC as a long-term investment. There is no change in this posture, and we will continue to draw dividend income from the group."

For its part, BICC is selling its 20 per cent stake in General Cable back to that company for the \$53m it indicated in April when it reported an intention to sell.

In April the \$53m would have yielded BICC about £2.3m. Now the same amount of dollars will give it only about £2m thanks to moves in exchange rates.

The link with General Cable was designed to secure closer cooperation in cables. In fact both groups went separate ways instead. The decision to divest was a natural consequence. BICC's shares rose 3p to 123p yesterday.

Americans set for an offensive

From David Cross
Washington, July 12

Although President Carter and his senior advisers are expected to expect any instant, dazzling results from the Bonn meeting, Washington believes the occasion will undoubtedly prove worthwhile, in the long run, for all the participants.

Certainly a rough American line is indicated. Mr. Jody Powell, the President's spokesman, said this week that Mr. Carter intends to go on the offensive in Bonn. He would seek assurances from his colleagues that they intend to tackle "more aggressively" the economic problems confronting the international community.

A succession of press briefings here during the past few days have sought to emphasize the long-term nature and intractability of some of the current world trade and economic problems and the impossibility of dealing with them overnight.

The measure of a successful summit is what happens in the year that follows. Mr. Michael Blumenthal, Secretary of the Treasury, told the National Press Club luncheon a few days ago. "The purpose of the summit is to help the participants identify what must be done, not to make instant decisions about the details of

How the markets moved

immediate action."

The American emphasis on the modest results expected from Bonn is partly a reaction to over-optimism in some sections of the press here as to what can be achieved in a few hours of discussions among the western leaders.

At the same time, however, it also marks a growing awareness among members of the Administration that in the absence of any coherent American energy policy, European and Japanese participants at the summit are unlikely to offer concessions on key agricultural parts of the continuing Gatt multilateral trade negotiations.

Steel leaders to resume participation talks

By Peter Hill
Industrial Correspondent

Steel industry trade union leaders are to have further talks early next month with the British Steel Corporation to discuss individual union reactions to the corporation's plans for extending industrial democracy in the state steel sector.

The TUC Steel Industry Consultative Committee will meet on August 10 to discuss the reaction of member unions and will seek another meeting with the corporation soon afterwards.

This emerged following two days of discussions which ended yesterday between steel union leaders and corporation executives.

A brief statement issued after the meeting referred to

"positive and useful discussion" of a joint report by the unions and BSC on the corporation's proposed steel contract with the labour force.

Individual union executives will consider the corporation's response in the recommendations contained in the report.

Corporation executives noted that the two days of talks had been held in a reasonably harmonious atmosphere, after the apparent discord over the corporation's plans to close down steelmaking at its Bilston, West Midlands, works which led to a threat of a national steel strike.

BSC also drew some comfort from the fact that the unions are anxious to progress the discussions on the industrial democracy plan evidenced by the planned August 10 meeting.

Whitecroft

"We have confidence that we are embarking on a period of substantial development."

Mr. J. Tavaré, Chairman

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- Group turnover £55m
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- Net tangible assets 225p per share

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"We continue to seek acquisitions of a kind that are compatible with Whitecroft's capabilities and understanding and which have growth potential. In April 1978 we acquired Moorlite Electrical Limited, specialising in fluorescent lighting fittings for office and other work areas. There are further developments to be made in this and associated fields."

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Manchester M3 2HX

US will take a cautious line on currency reform

The American President is not expected to make a specific endorsement at the Bonn summit of the proposal for European currency reform, which was outlined at the end of the EEC leaders' summit in Bremen last week.

The Americans have stated that they welcome, in principle, the move towards closer European cooperation. However, it is felt that Mr. Carter will say that there was no little time for him to make up his mind on the Bremen plan.

It was reported last week that the French and Germans hoped that their plan for currency reform would be approved by Mr. Carter at the summit.

This would have given a significant impetus to the Giscard-Schmidt proposals.

The British agreed to the publication of the scheme at the end of the Bremen communiqué and have emphasized since

that they will take a constructive attitude towards working out the details of a plan to stabilize European currencies.

However, there are considerable doubts in Whitehall about the details of the plan and the Prime Minister would prefer President Carter to reserve judgment on it in Bonn.

The main hope of the British at Bonn is for action to boost world growth. Chancellor Schmidt is expected to announce some measures to expand the German economy in the near future although he may not do so at the summit. The size of a German stimulus may well disappoint the British, however.

One major worry is that President Carter may be able to deliver much to the summit on energy policy. The German and French leaders have both said this week that they consider American action to curb their oil imports of great importance.

How the markets moved

The Times index : 206.71+1.68
The FT index : 473.3+6.0

Rises

Reichsmark	7p to 66 1/2p
£/s of Ireland	7p to 38 1/2p
BP	14p to 88 1/2p
Chesterfield	14p to 30 1/2p
Cropper	7p to 62p
Dunlop Hldgs	7p to 63p
ERF Hldgs	12 1/2p to 120p

Falls

Coral Leisure	11p to 95p
Guthrie Corp	6p to 33 1/2p
Harrisons Malay	8p to 11 1/2p
Hong K & Shang	7p to 33 1/2p
Imp Cont Gas	7p to 38 1/2p
Jardine M'son	7p to 27 1/2p
Ladbroke	15p to 17 1/2p

Equalities climbed higher.
Gil-Edged securities marked time.
Dollar premium : 108.125 per cent
(effective rate 50.73 per cent).
Sterling gained 10 points to
51.8855. The effective exchange
rate index was at 62.0.

Glaxo Hldgs	7p m 57 1/2p
Hambro Life	8p to 32 1/2p
ICL	12p to 31 1/2p
Latham, J.	10p to 13 1/2p
Municipal	10p to 23 1/2p
Pilkington Bros	14p to 55 1/2p
Prop Sec	8p to 15 1/2p

Libanon	8p to 308p
Monk, A.	8p to 34p
Middle Wits	10p to 17 1/2p
Norton & Wright	13p to 16 1/2p
Nitigah Explor	15p to 41 1/2p
Rotaprint	5p to 40p
Swire Pacific 'A'	6p m 18 1/2p

Gold gained 51 an ounce to
\$186.625.
SDR-5 was 1.24593 on Wednesday.
While SOR-5 was 0.652447.
Commodities: Reuter's Index was
at 1454.7 (previous 1448.0).
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THE POUND

	Bank buy	Bank sell
Australia S	1.70	1.64
Austria Srh	29.25	27.25
Belgium Fr	64.00	60.50
Canada S	2.16	2.09
Denmark Kr	19.94	19.44
Finland Wmk	8.20	7.85
France Fr	8.68	8.38
Germany Dm	4.03	3.81
Greece Dr	69.75	68.75
Hongkong \$	9.06	8.60
Italy Lit	1640.80	1555.00
Japan Yen	405.00	380.00
Netherlands Gld	4.35	4.12
Norway Kr	10.50	10.04
Portugal Esc	85.50	80.50
S Africa Rd	2.02	1.89
Spain Pes	145.00	142.00
Sweden Kr	8.88	8.48
Switzerland Fr	3.59	3.37
US \$	1.93	1.87
Yugoslavia Dnr	35.00	34.00

Rates for small denomination
bank notes only, as quoted previously.
Barclays' Bank International Ltd.
prices include bank travel
cheques and other foreign currency
business.

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BY THE FINANCIAL EDITOR

Looking for good news on dividends

After the gyrations late on Tuesday following the June banking figures, the gilt market was very quiet yesterday, though with prices at the longer end of the market tending to ease slightly ahead of tomorrow's final call (£51 per cent) on the long tap, Exchequer 12 per cent 2013-2017. On the assumption that around 70 per cent of the stock may have been sold, this would bring in a further £350m towards the funding requirement for the July banking month that ends next Wednesday.

At present levels, moreover, it would not take much of a rise in the market for the Government Broker to be able to reactivate tap sales. It remains to be seen, however, just how keen the institutions will be to help the August funding along until they have seen the White Paper on pay the week after next.

By contrast, equities quickly recouped Tuesday afternoon's falls yesterday to make six successive days of advance. To what extent, though, the rise of the past week or so has discounted everything other than the total abandonment of dividend restraint is a moot question. Certainly the market is starting to look distinctly vulnerable should there be any major disappointments on this score.

Gambling Ideas for any Chancellor

The Royal Commission's proposals to bring casino clients into the same sort of tax net as horse-racing caused the shares of major betting companies like Coral Leisure and Ladbrokes' plenty of trouble yesterday.

If the Commission's recommendations were implemented the present table-based levy on casinos could be increased eight-fold, which, together with a three per cent levy on big clubs, would lift the total tax take from the industry from around £5.5m to an estimated £54.4m.

This in itself would not spell the end for major casino firms since it is proposed they will be able to recover almost £40m of this sum through a levy of up to 7.5 per



Chairmen of the largest quoted gambling groups, Mr. Cyril Stein of Ladbrokes (left) and Mr. Nicholas Coral of Coral Leisure (right).

cent of "drop"—the total amount of chips purchased by clients. But the market may not have overreacted. It may have taken 10 years for the first recommendation from the 1951 Gambling Commission to reach the statute book, but one view is that the latest Commission's suggestions on casinos will be just too mouth-watering for any Chancellor or the Exchequer to resist.

If so the effects on the big London casino operators will depend largely on the reaction of the so-called "high-rolling" international gamblers who have provided the at for group's like Ladbrokes' and Coral's a recent years.

Helped by the jubilee tourist boom casinos provided more than half Coral's pre-interests and tax profits of over £21m last year. Despite the acquisition of Pontin's it is perhaps still almost a third. Meanwhile, despite its strong efforts to use betting proceeds for diversification, the group's still account for as much as 45 per cent of Ladbrokes' total profits, and the two group's shares have been under pressure in recent months on the belief that foreign visitors, particularly Arabs, are already reducing their patronage of London clubs.

Meanwhile, the Commission's harsh views on outside operators in the lotteries field may have nipped a prospective growth area in Ladbrokes' in the bud. All of which leaves the betting groups to prove the worth of their diversifications away from gambling.

Business Diary: Co-op cash • Honeywell's British triumvirate

Arthur Sugden, chief executive of the Manchester-based Co-operative Wholesale Society, yesterday made it clear his Co-op Bank chairman's last-minute financial rescue of the co-operative development agency.

The Act setting up the agency got the Royal Assent yesterday and Alan Williams, State for Industry, welcomed seed money plan from the Co-op Bank as "a real step forward". The agency has no development funds of its own help set up co-operatives.

The news certainly cheered Lord Oram appointed yesterday the agency's first chairman. Lord Oram, a luminary of a Co-op movement, who ran Brighton Co-op retail chain for five years, was a



Picture: John Munro
Development agency Lord Oram in London today: let co-ops be industrial as well as retail.

Co-op/Labour MP for East Ham South for nearly 20 years until 1974.

The Co-op Bank scheme was set up on the initiative of Sir Arthur, a member of the Government committee of inquiry which recommended setting up the agency. The aim was to fill the gaps in the British co-operative movement, notably the sluggish development of industrial co-operatives. Lord Oram knows of about 100.

Williams was at great pains to point out yesterday that the scheme should not be seen as a way of saving industrial enterprises that were facing disaster. "This is not a cure-all," he declared emphatically.

Co-op Bank men also said their plan would not cope with problems on the scale of Meriden. For starters, the most the bank will put in is £25,000 a time—although at low interest rates—and schemes will be expected to meet usual banking criteria.

The bank admits it doesn't have the know-how of a merchant bank in assessing prospects for a particular venture, but a unit is being developed in Manchester to tackle the job. The agency, in its role as adviser and encourager, will pass on likely-looking schemes, and there will be further screening when co-operatives come to ask for Government aid under the Industry Act.

The Co-op plan is to put up money on a pound-for-pound basis for seven years. It looks like their idea of commitment from each co-operative member would be at least £500 and preferably nearer £1,000.



Honeywell's Brian Long: now we are three

Honeywell, the Minneapolis-based computer multi-national, now has a triumvirate of Britons running its United Kingdom operations for the first time since it set up show here over 40 years ago.

This comes about as Brian Long takes over from an American, Russell Henderson, as managing director of Honeywell Information Systems on the latter's translation to vice-president and general manager of the American sales operation in Waltham, Massachusetts.

Long, who is 45, has been with Honeywell for 11 years and is a sales and marketing specialist.

The managing director of the Honeywell division here, Mr. McGregor, is a Scot, Jim McGregor—not the first Briton in the post. He took over five

The microprocessor and macro-economics

The microprocessor will obviously have a profound effect on the industrial structure not just of Britain but of the rest of the world as well. But as we examine its impact it is important to try to sort out what economics tells us the effect of the introduction of this new technology will be from other, quite separate assertions about the shape of the economy to come.

The most important misunderstanding around seems to be that the introduction of the microprocessor will generate a new era of mass unemployment. It will do this, it is argued, by destroying jobs in manufacturing industry as automation spreads.

This is a fallacy of a most dangerous sort, because it has a doubly damaging effect. By spreading fears about the effect of this new technology it is likely to make us less willing to gain the advantages which the imminent production of many cheap "chips" will give us. And by transferring responsibility for the unemployment from the mistakes made by man to the existence of machines it makes it harder for us to do the right things.

The misunderstanding which is made by people who fear unemployment from automation has a technical name: "lump of labour" fallacy. This fallacy holds that there are only a limited number of jobs to go round in our society. Cut down the amount of people required to perform a function and unemployment will result, the argument goes. It assumes that one man's gain is another man's loss.

This belief has been one of the most remarkably sturdy errors of recent years. Part of the reason for this is that it provides a wrong answer for an amazing number of questions. Take the issue of laws designed to make it easier for women, or minority ethnic groups, to find work. The laws are often opposed or at least suspected by unions on the grounds that the groups who gain, such as women, will be "stealing" jobs from men.

The truth is very different and, unusually for economics, rather more encouraging. Take the case of women entering the workforce who were not employed before. They will produce goods and earn pay. The pay they earn will enable them to buy things which they otherwise would not have bought. Indeed, they will force them to buy some sorts of consumer goods to give them time to play their part in running the home and holding down a job at the same time. The net effect of women going out to work is thus not to increase unemployment

among men: it is to cause some men to lose jobs in some occupations and to find work in others, perhaps in making the disabbling machines that the affluence of a two-income family can afford.

There may, of course, be problems in the labour market itself as these new workers enter it prepared to accept a lower level of pay. But even that problem does not cause unemployment. Lower real wages mean either higher profits, which are income for someone in the economy, or lower prices, which mean higher real wages for people in other sectors of the economy. The only way in which unemployment could result would be if demand consistently fell below supply.

Yet, as in all economics, is, no one level, remarkably optimistic. Keynesians believe that it is possible for the economy to find itself trapped in a world where demand is insufficient, but that by pursuing the right fiscal policies government can produce the extra demand needed.

Neoclassical economists would say that the economy will always right itself, probably by having more investment because interest rates fall. Neither school would accept that unemployment is inevitable.

The same sort of analysis applies to the introduction of a new cheaper form of machine which boosts the productivity of the labour force. One possibility (not a very likely one admittedly) is that it will just push up the wages of workers operating the new machines for example a machine controlled by a micro-computer) to such a high level that the real cost of the product being turned out remains the same.

If that happens, all the benefits of the new technology will go to those still employed in the industries but the rest of us need not be worse off.

The rest of us will be employed in occupations which, to some extent, have come into existence to meet the demands of the new breed of super-rich working in the automated factories. They will have to spend their money or to save it.

If they spend it the level of demand is maintained. In fact, if they save it, either the private market will find new investments to use the money or the Government has the scope and duty to provide the

Optimistic

extra demand, either through cutting taxes on the rest of society who are prepared to spend the money which they earn, or through increasing public spending which both provides welfare and jobs.

It is not necessary to take any view at all as to whether the Keynesian or the neo-classical analysis of the microprocessor is right. The important point is that the choice is between an economy which is self-righting and one which can be put right by government intervention.

All of the above has been based on a number of assumptions, some favourable some not. The first is that all the benefits go to higher wages within the industry where the new technology is introduced. In practice, much of the benefit will be spread to people outside through a fall in the price of the goods being produced. This does not alter the basics, however. It merely means that some of the people in other industries will share in the benefits which come.

Another assumption often made is that the biggest impact of microprocessors is likely to be on capital goods including office equipment and that it is here that the job loss will occur. Three points need to be made about this.

First and most important is that even if it is true, the argument above shows that other jobs in other areas can and will be found as long as the overall level of demand is high enough.

The second point is that offices have enough capacity for creating work, as the spread of microprocessors will find more applications in consumer goods such as cars than in the offices and factories.

Yet another assumption is that the government should stimulate demand it can in fact do so without facing insuperable problems on, for example, the balance of payments.

If this condition does not hold then unemployment will be a consequence of more efficient techniques of production makes it easier to compete in both domestic and foreign markets and thus easier to expand demand.

The microprocessor will not, then, destroy jobs but transfer them [and the more we plan for this the easier it will be] perhaps from manufacturing to other forms of activity.

David Blake

A total of 48,000 applicants oversubscribed 105 times for the 3.2 million shares on offer in Cartiers Superfoods, the Medway supermarket group which plans to have 14 stores by January, 1980. This could have profound implications for the City and its desire to see the return of the small shareholder. Corrier offered its prospectuses and applications forms to all the customers in its stores. Evidently snare shares can sell as easily as baked beans.

John Brizendine, president of the Douglas Aircraft Company, who is in London today, is the latest in a procession of American aerospace executives to come here in the slipstream of British Aerospace's proposals to cooperate with somebody—American, European or both—

Assuring a future for UK's offshore oil

In awarding licences for oil exploration and development on the United Kingdom continental shelf the Government has set itself the task of balancing the national interest with that of the international oil companies.

It was the belief that the two would not necessarily converge which lay behind the creation of the British National Oil Corporation three years ago. The result has been to make the apparent interests of the state and the oil companies quite distinct.

The problem the Government now faces is to make the conditions of licences sufficiently attractive to the oil companies while building up BNOC. The worry is that in the proposed conditions for the sixth round of licensing the Government has bent so far backwards to help BNOC that it is in danger of falling flat on its back.

Most companies now agree that the best fields in the North Sea have already been found. Speculation that British Petroleum has a new important find on block 206/8 West of the Shetlands is a spur to further exploration at that basin.

But even if recoverable reserves equal the 340 million tonnes of Forties, they will be more difficult to produce and of a lower quality. The United Kingdom continental shelf remains an attractive proposition. It has so far proved to be one of the most productive geological strata in the world with fields like Straatford rivaling the smaller Middle Eastern finds. Future finds, however, although valuable, are likely to be deeper water, with poorer structures.

The oil companies argue that as conditions get more difficult and more expensive, so terms for licences should get easier. The national interest would not be best served, they argue, by making terms so unattractive as to send the development rigs to other waters.

This is the year when the dream of North Sea oil became a hard commercial reality. Production from nine fields topped one million barrels a day, is just about on course to meet United Kingdom consumption in 1980 with eight fields at present under development.

But most of these fields will have reached peak production in the early 1980's and by 1985 will be tailing off. Other fields will be coming on stream by then, but the oil companies believe the pace of exploration needs to be kept up.

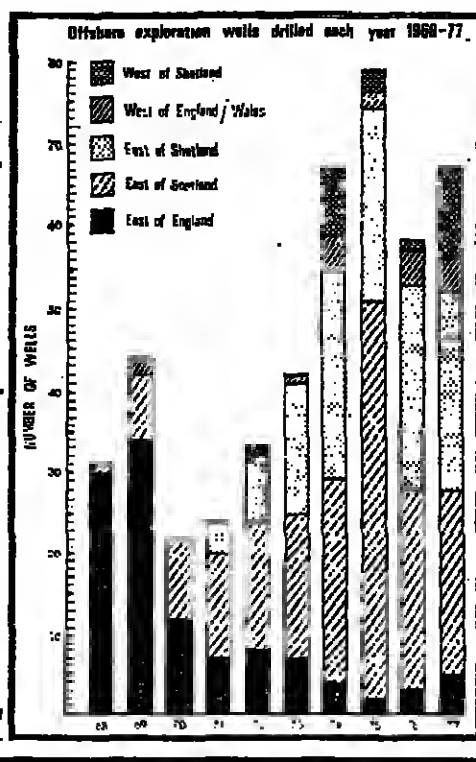
In the view of the United Kingdom Offshore Operators' Association this cannot be done with only the 40 blocks which are going to be on offer in the sixth round due to be announced shortly on the terms which have been proposed.

The most promising blocks will be most sought after but UKOAA believes that the less promising blocks will be left. The Department of Energy's view is that the offering of a small number of blocks every two years fits in with depletion policy and prevents the rush for drilling equipment which occurred as a result of the large third and fourth rounds.

That rush would have been lessened had the companies not had to hand back one half of the licence area after six years. Under the fifth and in the proposed sixth round the companies have seven years after which they have to hand back two-thirds of their areas.

The intention is to produce a steady drilling programme. It would be possible to produce

The worry is that in the proposed conditions for the sixth round of licensing the Government has bent so far backwards to help BNOC that it is in danger of falling flat on its back



Source: Department of Energy

A similar effect through different means. Much larger areas could be put on offer leaving the oil companies to pick and choose while the time before compulsory relinquishment would be made much longer but the problems of control by the Department of Energy would multiply and BNOC's resources would be stretched beyond breaking point.

In fact it is often difficult to differentiate complaints about the sixth round and complaints which are really criticisms and dislike of the whole system of government control and participation in the North Sea.

It is claimed that with only seven drilling rigs active on

Nicholas Hirst

the United Kingdom shelf, progress has been unduly slowed. Comparisons with the 10,000 wells drilled every year in the United States, however, are meaningless. Last year 67 exploration wells were drilled against 58 in 1976, and 38 appraisal wells, an increase of 10 over the previous year.

The Department of Energy's "brown book", published in April, expected the same rate of drilling in the present year. If the international companies are being frightened away, it has not happened yet.

With the prospect of new areas in the south western approaches, more in the west of Shetlands, and possibly in the Moray Firth, there should be plenty for the companies to go for. With around 40 consortia, some are going to be disappointed. Competition, though, is surely to be commended.

The terms may be tougher, but they are not tough enough yet to rival major oil countries with the United States providing a possible exception and at least one and possibly two major concessions will be made.

A natural and generally healthy mistrust exists between the Government and BNOC on one side and the oil companies on the other. The proposal that BNOC should be awarded a licence as operator on six of the 40 blocks on offer before applications are received, therefore particularly upset UKOAA, which saw the state oil corporation using the informa-

tion gained from applications to pick the best fields for itself. As BNOC already knows which areas it would like, the Department of Energy will agree to announce the blocks on which BNOC will be the operator before inviting applications. If no applications are received for such a block, however, BNOC will be awarded a sole licence.

There is also the possibility that the Department will soften its attitude towards reserving the right to change the operator between exploration and development. But on the auction elements of the round there will be no concession. The 1974 White Paper said that applicants might be expected to carry BNOC during exploration and it was the fifth round of licences which was out of step with policy rather than the latest proposals.

As with the suggestion that applicants might wish to offer BNOC more than 51 per cent participation in the blocks they receive, the "carried interest" element amounts to a tender style of application. If the potential is high, the oil companies will be prepared to offer more to the Government, if it is low they are surely capable of making a suitably revised application.

Undoubtedly there are far too many conditions and considerations on which the minister has to exercise his discretion, but all the oil companies are really being asked to do is to make a commercial judgment. The principle that the state should participate in profits was settled four years ago. The tough elements of the sixth round are voluntary. If the oil companies do not like them, they do not have to make the concessions to BNOC.

What is worrying, however, is that allocations from the fifth round have still not been completed. Bureaucratic controls over development are now extensive. The terms of the sixth round add to the problem simply because it is difficult to enter an auction when it is not entirely clear what is needed to win it. If a steady drilling programme does not take place over the next couple of years, it will be clear that the Government has gone too far.

The author is Energy Correspondent of The Times.

COMPAGNIE FRANÇAISE DES PÉTROLES

Improved Results in 1977

Group net income for 1977 was F. 260 million vs. F. 166 million in 1976. This result does not include income from the Frigg gas field in the North Sea, which started production at the end of 1977. It does, however, include the increased income from other production areas recently acquired or which began operating in Indonesia, North America and Algeria. This result also reflects

refining and marketing losses in Western Europe, where price increases lagged far behind cost increases. It should be noted that refining and marketing have remained profitable in the United States, as in most African countries and Australia, and that as a result of reorganization of the tanker fleet sector, the impact of tanker shipping costs on the consolidated results has been reduced.

1977 Consolidated Results		million francs
Sales (net of taxes)	53,440	
Shareholders' equity (after income allocation)	8,312	
Net capital investments	3,724	
Cash flow	2,873	
Net income (including minority interests)	260	

Operating Statistics		million tons
Crude oil resources	71.1	
Raffinery runs	50.3	
Sales of finished products	58.9	
Quantities transported	20.7	

Net Unit Dividend of CFP Share		F. 9.40
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Development Prospects: Production Start-Up of New Resources

Prospects for the near future depend upon the situation of European refining and marketing, where losses have affected the amount of funds allocated for exploration. Disengagement may also be necessary in the European refining and marketing sectors. However, a few positive factors are on the horizon for the Group. Now that development work for the Frigg gas field in the North Sea is completed, and that the Belag and Hamsel fields in Indonesia are operating at full capacity, income from these new production areas should be on the rise and, at the same time, investment cost should drop. In 1977, self-financing covered 70% of investments as against only 50% in 1976. Thus, conditions should improve progressively, allowing

the Group to pursue its primary role as producer of oil. At the same time, it must consolidate and expand its worldwide market for natural gas, uranium, and coal, while continuing research into new sources of energy: solar, geothermal, etc. In addition, as expertise acquired in the various sectors of the oil industry, and know-how accumulated in the domain of organization of complexes, are being effectively applied in the area of industrial cooperation, two important industrial cooperation agreements were signed in 1977, one with Abu Dhabi Emirate and one with India. Several projects are being negotiated with governments of the Middle East, Africa and South America.

The brochure "C.F.P. and the TOTAL Group in 1977" is available on request in French and in English at:

Compagnie Française des Pétroles, Secrétariat Général,
5, rue Michel Ange, 75781 Paris Cedex 16, France.

FINANCIAL NEWS

Christie-Tyler falls to £1.8m

In spite of a second-half recovery, pre-tax profits of Christie-Tyler, the furniture maker, have slid from £2.5m to £1.8m for the year to April 30. Group turnover rose by 20 per cent to £48m, reflecting that the group has made an increase in its share of the market during a year which was difficult for the trade as a whole.

Margins continued to be under pressure for much of the year, following the reorganisation at Bath referred to in the interim stage. However, Arkansas has traded successfully. Mr G. Williams, chairman, said that current conditions are much better than the depressed level of this time last year, although the heralded consumer boom has not yet arrived at a level comparable with 1975-76.

Rotaprint margins are squeezed

Printing and duplicating group, Rotaprint, made profits of £133,000 in the year to April 30, against £111,000 last year. Sales were up from £10.9m to £12.9m.

The board said that the recovery in trading indicated at the half-year was not maintained. The second-half recovery in the printing and duplicating industry was not as strong as the first half. The board said that the recovery in trading indicated at the half-year was not maintained. The second-half recovery in the printing and duplicating industry was not as strong as the first half.

Oil industry profits may have 'bottomed'

In their latest review on the international oil industry, stockbrokers Vickers, Da Costa & Co. say that the depressed oil profit cycle may have reached its nadir. Aggregate earnings of the seven major oil companies declined in the first quarter, weighted by poor results of BP and Royal Dutch.

However, comparison with the fourth quarter of 1977 shows that the trend is now moving upwards. Shares of the sector considered as meriting a positive approach by Vickers are Shell, Royal Dutch, Burmah Oil, Aquitaine—a company which is described as having deep roots in natural gas in a special section of the review on this source of energy.

Wrighton ends almost level

In spite of the half-time slump, F. Wrighton and Sons (Associated Companies) still managed to end almost level in the year to March 31. Pre-tax profits slipped to £323,000, compared with the previous year's £346,000.

ORNING

Sales for year to December 4, 1977 (53 weeks) were £52.6m against the previous year's £52.3m. Pre-tax profit was £323,000 (£2.8m). Comparisons restated following change in accounting policy. Ultimate trading company is Corning Glass.

ACKINSON OF SCOTLAND

Turnover for half-year to April 30 was £2.5m (£2.1m). Pre-tax profit was £222,300 (£24,700). Earnings per share were 4.06p (3.9p).

DINER ENGINEERING

Turnover for half-year to May 31 was £5.1m (£4.1m). Pre-tax profit was £104,500 (£210,700). Earnings per share were 12.4p (13.1p). Dividend for year is 12p (11.3p).

JULIAN & PAUL GROUP

Turnover for year to March 31 was £77.4m (£65.8m). Pre-tax profit was £8.2m (£6.7m). Earnings per share were 12.4p (13.1p). Dividend for year is 12p (11.3p).

AMOR INVESTMENTS

Mr Edmund Dell, Trade Secretary, has appointed Mr Hugh Barrow, Harwood Christie, QC, to act as an inspector with Mr John Robertson Darby, chairman, to investigate affairs of Amor Investments Ltd (formerly Brynston Finance) in place of Mr Michael John Mustill, QC, who has withdrawn from his appointment. Mr Mustill has been asked to the bench.

H. DOWNING

scrip issue on one-for-one basis proposed.

OWNERS

Chairman told the annual meeting that since the year 1 demand had improved and there are indications that this will be maintained into the winter.

In the first six months, profits dropped from £168,000 to £22,000.

The year's turnover rose from £8.33m to £8.6m. The dividend, on a net basis, is unchanged, but gross is slightly lower at 1.61p, against 1.64p. Weighton are furniture manufacturers.

Recovery continues at Countryside

In the half-year to March 31 pre-tax profits of Countryside Properties jumped to £213,000, compared with just £49,000 in six months to December 31, 1976. The latest interim results compare with the total figure of £243,000 pre-tax for the 15 months to September 30 last.

The board explains that the group's continued recovery is reflected in the half-year's figures. Turnover was more than doubled from £2.73m to £5.85m. The interim dividend is being boosted from 0.25p to 1.5p gross. The majority of the new house building programme, for completion before the end of the current year have been forward sold and the board expects the results for the second half-year will show further improvement in profitability.

R & J Pullman acquisition

R. & J. Pullman have acquired through their subsidiary company, Carleys Fashions, the capital of Gerber Bros. C and V Fur Fashions and Howard Furnishing Co with effect from May 1, 1978. The consideration paid was £387,000 cash. The Gerber Group have for many years traded with companies within the Pullman Group, and it is intended to use this company as a base for expansion into the retail credit sales of leather, furs and other garments.

George Ewer—

Vivier Investments

A 4.4m share stake in George Ewer, the London transport and tour firm, has been transferred from Dee Computer Services to Vivier Investments, both part of the Trafalgar Travel group.

Vivier's stake and those of its associates in Ewer now total 28.88 per cent. But Vivier does not expect a bid, pointing out that 4m of the shares were acquired by Dee Computer last August. Ewer did much better than its own forecast in the year to January, making pre-tax profits of £109m.

SW Wood lost but dividend to be paid

S. W. Wood went into a £69,000 loss for the year ended March 31, against profits of £329,000 pre-tax the year before.

Losses amounting to £242,000 were incurred on metal trading, and there was another £192,000 extraordinary loss from the

Briefly

Gross margins seem likely to improve, but this will not have any significant effect on the results for the first half-year.

AGE RESEARCH

Company announces that it has subscribed £90,000 cash for 85 per cent of issued share capital of Halcrow Technical Press. HTP has recently acquired the trade journals formerly published by Hulton Publications.

OCEANA HOLDINGS

Sales for half-year to October 31 were £477,200 (£105,000). Pre-tax loss was £52,746 (profit £1,754).

Options

Buyers' conditions continued on the traded options pitch with some 665 contracts traded yesterday.

ICI, with 107 deals, just beat Grand Metropolitan with 105 into second place, while BP, with its rising equity price, had 69 contracts traded.

The July 850s, which were 4p bid on Monday morning ended last night at 34p, after touching 40p at one stage. The gearing on the traded options gave substantial gains to this class where in the 750 series the July options added 24p to 144p, the October climbed 29p to 161p and the January contracts slipped 65p to 180p.

Western Mining to start uranium production at Yeelirrie in 1984

International

Melbourne.—Western Mining Corp expects a full-scale uranium treatment plant at its Yeelirrie deposit in Western Australia to start production towards the end of 1984.

Its draft environmental impact statement, released here, said it plans to produce 2,566 tonnes of uranium oxide and 1,016 tonnes of vanadium pentoxide a year in the first 18-year phase of mining, based on current reserve estimates.

Western Mining expects to concentrate on high-grade ore averaging 0.23 per cent uranium oxide in the first phase.

In the second phase of about 12 years, Western Mining expects to produce 992 tonnes

Paramount success

New York.—Gold and Western Industries' Paramount Pictures subsidiary reported that its film *Grease* grossed \$48.13m (about £25.5m) in the first 24 days of its engagement in the United States and Canada.

A second film, *Heaven Can Wait*, grossed \$12.33m (£6.5m) in the first three to 12 days at 560 of 625 cinemas currently showing the film, it added.

Opel profits drop

Frankfurt.—Despite record turnover of Dm9,168m (about £2,375m) in 1977, up 4.1 per cent from 1976, net profits of Adam Opel plummeted by 55.6 per cent to Dm339.5m (about £88m). This decline was triggered by higher tax, increased personnel costs, and reduced export earnings due to the appreciation of the Deutsche mark, which could not be completely offset by increased prices and productivity.

Mr James F. Waters, the management board chairman, said Opel, a subsidiary of General Motors, will forgo payment of a dividend due to investment requirements and other concerns. —A.P.—Dow Jones.

Mitsui suspended

Tokyo.—The Tokyo and Osaka Stock Exchanges have decided to suspend transactions in shares of Mitsui Sugar for a week, beginning on July 25, following the company's decision to reduce its capital by 50 per cent. The step has been decided to prevent sharp fluctuations in the share price, but trading is expected to resume from August 1 after the capital reduction is completed. —Reuter.

Deutsche Bank

Frankfurt.—Deutsche Bank plans to raise its share capital by Dm80m to Dm1,040m through a one-for-12 rights issue at Dm200 per Dm50 share. —Reuter.

Marine Midland

Marine Midland Bank, which is being acquired by the Hong Kong & Shanghai Bank,

Courage Australia

Melbourne.—Courage Breweries Ltd of Australia has recommended the proposed 36

Kaiser-Ashland

Vancouver.—Kaiser Resources and Ashland Oil have approved a definitive agreement for Ashland to sell its 83 per cent interest in Ashland Oil Canada Ltd to Kaiser for \$33.50 per share—a \$1.00 per share increase on Kaiser's previous bid. —Reuter.

Arbed-Saar

West Berlin.—The Federal Cartel Office has approved the takeover by Arbed Aciéries Reunies de Burbach-Saarlouis of the Saar steel firms, Stahlwerke Roermond, Burbach and Neunkirchen Eisenwerke. Arbed's takeover of the two firms is part of the plan worked out with the help of the Federal and Saar governments to restructure the region's steel industry. —Reuter.

JACKSONS BOURNE END

Turnover for year to April 1 was £4.7m (£4.4m). Pre-tax profit was £235,000 against a loss of £41,000. Dividend will be 2.5p gross (all).

RANQUE EXTERIEUR

Banque Extérieure d'Algérie is to offer (US) \$35m of its floating rate notes, due 1984, through an international selling group. The issue will be arranged by First Boston (Europe).

CRELLON HOLDINGS

Applications were received for 5.01m 12 per cent convertible participating preferred red shares at 10p each (£2.77 per cent) offered by way of rights.

WEYMSS INVEST CO

Net asset value at June 30 was \$82.5p.

Business appointments

Mr R T Vyner to join board of Sainsbury's

Mr R. T. Vyner, a director of Allied Suppliers, is joining Sainsbury's, and will be appointed a director to assume board responsibilities in due course for the grocery division.

Mr A. K. Hornsby will join the board of Smiths Industries as financial director from August 6. Mr Peter Holden has been appointed to the new post of corporate planning director of Blue Circle Industries.

Dr W. H. Darlington is to retire as managing director of Stothert & Pitt on September 29 and will be succeeded by Mr Alan Cheeban.

Mr S. E. Darmon has been made chairman of Arthur Guinness Son (Bank Royal), succeeding Lord Moyne, who has retired.

Mr Brian Long becomes managing director of Honeywell Information Systems replacing Mr Russell Henderson, who has been made vice-president and general manager of Honeywell's marketing and services information systems division.

Mr A. J. Bryant and Mr H. Denham have joined the board of Sims Darby Loomers. Mr D. E. Dowling has resigned.

Mr F. R. King has become a director of the Norwich Building Society.

Following the acquisition by Lestrat of J. and L. Randall, Mr J. G. Davidson has been deputy chairman and managing director-designate of Randall.

Mr Peter Garrett becomes sales director and Mr George Dimes manufacturing director on the board of Domcasters Sheffield.

Mr Terence Seale has become a director of Saccor & Speed and is managing director of Saccor & Speed Retail following the appointment of Mr Geoffrey Greenway as senior retail trade director of Courage (Western).

Mr Jack Hubbard, managing director of Reed Midway Sacks, has been made chairman and chief executive. He succeeds Mr C. H. Beattie, who remains a director.

Mr James Gaffney, director of engineering services, West Yorkshire Metropolitan County Council, has been elected president of the Institution of Highway Engineers.

Mr W. Collins is resigning as a director of C. E. Heath (Marine) and leaving the group. E. Heath group is to become managing director of Mid-Ocean Management from July 31.

Dr Bernard Rimmer has been made managing director of S. W. Clark (Contractors).

Mr P. D. Moore has become financial director of R. P. Martin Exchange, R. P. Martin Deposits and R. P. Martin Sterling.

Mr C. F. F. Wolfenden, managing director of Automatic Systems Laboratories, has been elected president of the Scientific Instrument Manufacturers' Association of Great Britain.

Mr J. E. Reave has been elected president of The Institution of Production Engineers.

Mr Boh Burns has been made managing director of English Rose Kitchens.

Mr Bernard Fox, a director of Rest Assured, has been elected president of the National Bedding Federation.

Mr Ian McLary has become managing director of Prentiss Fibre-Glas.

'Rights' scrip issue from W E Norton

By Richard Allen

Bumper results from W. E. Norton, the machine tool manufacturer, came with a dividend-paying rights issue yesterday. Having pushed up profits 44 per cent to £548,000 in the year to March 31, the group is calling on shareholders for £557,000 of new cash to help finance further expansion.

The issue is on the basis of one for five at 35p—a discount of 25 per cent—and Norton promises to raise dividend payments by 140 per cent to 2.5p gross on the new capital.

At the same time, the group is planning an 11-for-ten scrip issue by capitalizing reserves of £533,000. In a move aimed mainly to provide the group with trustee status.

Shares in the group, which were firm ahead of the announcement eased 3p yesterday to close at 47p where giving an effective ex-rights yield of around eight per cent. The new payment is still almost five times covered by earnings per share which rose from 5.4p to 7.75p last time.

Mr Walter Norton, chairman, said yesterday that business since the year-end has been well ahead of budget and order

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Mr Walter Norton, chairman of W. E. Norton.

Allied Colloids' overseas earnings hit by sterling

By Michael Preece

Pre-tax profits at Allied Colloids, the Bradford chemicals group, were slightly down in the year to April 1, to £4.54m. But the company also reported sales up 17 per cent to £22.9m.

About £16.5m of total sales were made overseas, 20 per cent more than last year. But Allied Colloids says that profits no overseas sales were hard hit by the erosion of margins and the value of sterling.

Greatest pressure came from increased costs which could not be recovered abroad in higher prices. Performance this year will continue to depend on

absorbing costs while still increasing sales volume. The company will not be drawn on the outcome for the current year, but points to a 25 per cent rise in sales during the first quarter.

Earnings per share slipped a little from \$66p to 54p. Nevertheless, the directors are to pay the maximum dividend permissible of 1.117p net, or 1.86p gross. The shares fell 2p to 71p.

Allied Colloids specialises in chemicals for the textile, paper, mining and processing industries, and has interests in Europe, the United States, Canada, South Africa and Australia.

In Argentina, India and Mexico we made it flat and as fibres.

In Australia, Canada, South Africa, Scandinavia and New Zealand we made it flat. Then we toughened and laminated some of it.

In Britain and other parts of the world we also pressed it, bent it, polished it, decorated it, silvered it and suspended it.

All over the world we sold it. £469.5m worth.

And we invested £49m in new plant and machinery to enable us to make more of it more efficiently in the future.

To: The Registrar, Pilkington Brothers Ltd, Prescott Road, St Helens, Merseyside WA10 3TT
Please send me a copy of the 1978 Pilkington Annual Report.

Name _____
Address _____

Financial Highlights 1978

	1978	1977
	£m	£m
Sales to outside customers	469.5	390.1
Total Group profit before taxation (including licensing income of £32.8m)	71.7	62.7
Group profit after taxation	35.4	33.2
Dividends	7.2	6.5
Profit retained in business	26.9	24.0
Earnings per share	54.9p	51.3p
Dividends per share (net)	11.5p	10.4p

The activities of the Pilkington Group are based on glass: for buildings, transport, defence, insulation, communications, reinforcements, pharmaceuticals, spectacles, tableware.

Our 58 subsidiary and 17 associate companies manufacture and process glass in 24 countries and sell to more than 100.

If you would like to find out more about us, including how we fared in 1977/78, please complete and return the coupon for a copy of our accounts.



PILKINGTON

David S. Smith Printing and Packaging

Salient points on 1977/78 by Mr. David S. Smith, Chairman

● Trading conditions were somewhat more difficult but once again our results were in line with expectations, with increased volume compensating for reduced income from short term deposits.

● Plans to reconstruct the Group to enable surplus funds to be paid to shareholders have been announced and we consider these proposals in the best interests of both employees and shareholders.

● After only two months it would be imprudent to forecast our results but we have a strong order book and I look to the future with confidence.

Year ended 30th April	1978	1977
Pretax profit	£1,305,647	£1,317,306
Taxation	£684,226	£653,992
Earnings per share	11.5p	12.3p
Dividend per share	2.662p	2.4035p
Profit retained	£477,358	£533,240

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